

STRONG GOVERNANCE SUPPORTING SUCCESS:

EXECUTIVE OVERVIEW

STORIES AND ANALYSIS FROM THE 2016 INDIGENOUS GOVERNANCE AWARDS







Foreword



The Indigenous Governance Awards (Awards) celebrate people who practise the longest continuous governance in the world. The longevity and success of these practices are remarkable. Yet, we've often been asked: why governance? Why is it that strong governance is worthy of recognition and a dedicated Awards program? It's because good governance is crucial to self-determination and to building and sustaining strong, healthy Aboriginal and Torres Strait Islander communities.

The Awards are underscored by the belief that Aboriginal and Torres Strait Islander people hold the key to positive social, political, cultural and economic prosperity, and that governance plays a key role in this process. The power of the Awards is to shift the focus from what does not work to what does. They showcase evidence that our people and organisations have the answers. They foster pride and confidence in the ability of Aboriginal and Torres Strait Islander organisations and communities to change our peoples' lives for the better, and they encourage mainstream Australia to adopt a new discourse focused on Aboriginal and Torres Strait Islander success.

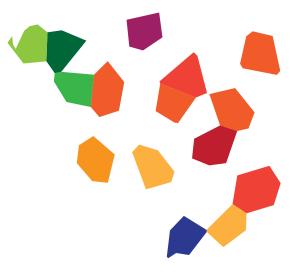
The 2016 Awards received applications from 138 Indigenous-led incorporated organisations and informal groups, projects and initiatives—a record number. Despite differences in location, industry and community, this outstanding group of applicants have three things in common: their governance is healthy, they place culture at the centre of their operations and they are the heartline for their communities.

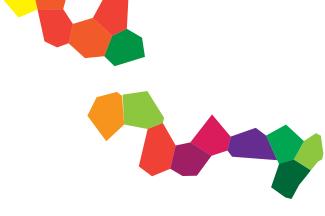
Together, the applicants demonstrate that the best and most viable solution is Aboriginal and Torres Strait Islander self-determination. It is when the answers are designed and driven by Aboriginal and Torres Strait Islander people that positive change happens. Positive change occurs when partners work in cooperation, not competition; when our communities are empowered to be leaders, not recipients; and when solutions are built by, and reflect the priorities of, those who face the problems.

I would like to congratulate each of the Awards applicants. You are an inspiration to other Aboriginal and Torres Strait Islander organisations and communities and you are creating a better future for all Australians. With organisations and projects like yours leading the change, our vision for a better and more successful Australia can be realised. You are the vanguard of Indigenous success.

Professor Mick Dodson AM

Chair, Indigenous Governance Awards Deputy Chair, Australian Indigenous Governance Institute Limited





Introduction

Aboriginal and Torres Strait Islander peoples have long called for greater control over decisions that affect their lives. Mounting evidence from Australia and internationally indicates the important role of practically effective and culturally legitimate governance for Indigenous self-determination, cultural resilience and community development outcomes. But what kind of governing capabilities, models and processes work best to transform hard-won Indigenous rights into improved lived realities? Applicants to the Indigenous Governance Awards provide a range of answers to this important question.

The Awards were established by Reconciliation Australia in partnership with the BHP Billiton Foundation in 2005. Some of the directors of the Australian Indigenous Governance Institute (AIGI) have been involved in the Awards since their inception. The Awards were first co-hosted with AIGI in 2016. The Awards celebrate and promote effective and legitimate governance in Aboriginal and Torres Strait Islanderled organisations, projects and initiatives, and provide a fantastic opportunity to gain insight into current best practice and exciting innovations in Indigenous governance.

The 2016 Awards received a record number of applications from 104 incorporated Indigenous organisations and 34 informal Indigenous groups, projects and initiatives. Analysis of 38 shortlisted applicants is presented in **Strong Governance Supporting** Success: Stories and Analysis from the 2016 Indigenous Governance Awards published by AIGI and Reconciliation Australia. Parts of the report are also informed by a comparative view of the 2012, 2014 and 2016 Awards applicant cohorts.

Here we share an overview of the 2016 Awards conversation, including overarching narratives, emerging trends and key research findings. The full report is available at



Young men participating in the Warlpiri Youth Development Aboriginal Corporation adult numeracy and literacy program with Indigenous Governance Awards judges Paul Travers, Professor Mick Dodson and Professor Gary Banks.

At a glance

Indigenous culture continues to be seen as the foundation for building strong contemporary governance arrangements.



93% of incorporated applicants and 88% of informal groups embed culture in their governance arrangements and organisational practices.

Applicants demonstrate impressive governance resilience and a genuine commitment to seeing things through.



73% of incorporated applicants have been trading for at least 20 years. Even in the unincorporated category, two projects have been operating since the 1990s.

The diversity of applicants' incorporation status suggests that, where they can, Indigenous groups continue to maintain control over the decision to incorporate under particular forms of legislation.



Only half of incorporated applicants are registered under the Office of the Registrar of Indigenous Corporations (ORIC). The remaining 50% are registered under a range of other federal, state or territory incorporation legislation.

Charitable status starts to matter more when a group seeks to diversify income and move away from government funding.



93% of incorporated applicants are registered as charities with the Australian Charities and Notfor-profits Commission (ACNC).

Applicants' decision to register as a charity, and the complex compliance and reporting obligations for charities regulated by both ORIC and the ACNC, indicates a serious effort by incorporated applicants to maximise self-determination in a context of federal funding uncertainty.





The lack of clarity around regulatory requirements for Indigenous corporations registered with both ORIC and the ACNC leads to double regulation. Unlike other organisations, Indigenous charities incorporated under the Commonwealth Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act) are required to operate within the regulatory requirements of both ORIC and the ACNC.

Diversification has been a significant priority for incorporated organisations in the last three awards cycles. Several explanations can be offered: to reduce reliance on external funding, ensure ongoing viability in times of changing external conditions, increase the flexible use of funds for self-determined purposes and maximise impact.



The number of applicants receiving government funding more than halved between 2012 and 2016 (a decrease of 56%). There has been a corresponding upward trend for incorporated applicants to generate revenue through partnerships and a gradual increase in the percentage of applicants generating their own income.

Applicants use the principle of subsidiarity to ensure the people most impacted by decisions have a greater say in the decision-making process. Subsidiarity facilitates the representation of different interest groups in decision-making and ensures that decisions are made in line with community need.



80% of incorporated applicants reserve positions on their governing body for Elders, Traditional Owners, Aboriginal and Torres Strait Islander women, youth and future leaders, language groups and families.

Applicants consider conducting research and using their own data to be an important aspect of organisational sustainability and governance resilience.



At least one in every five incorporated applicants collect data on their programs, projects and services. This kind of data builds upon existing Indigenous capabilities and knowledge, has direct practical application, and represents collective identities, rights and priorities.

Overarching Narratives of Indigenous Governance

The 2016 Awards conversation is distinguished by a number of overarching narratives.

www.aigi.com.au.

CULTURE: THE THREAD WEAVING THROUGH GOVERNANCE

Applicants to the 2016 Awards continue to reinforce a central point about Indigenous ways of governing that has been raised from the very beginning of the Awards—namely, that Indigenous culture continues to be seen as the foundation for building strong contemporary governance arrangements.

Yet, embedding culture into governance is not as simple as it sounds and some solutions work better than others. The Awards provide a window into the many creative and innovative ways that culture is being embedded into the governance of Indigenous-led organisations, projects and initiatives. Applicants are experimenting with ways to align their cultural priorities, values and deep relationship principles with their governance arrangements. Some solutions involve integrating cultural practices into organisational structures, policies and procedures. Other solutions involve the appointment of cultural advisory committees or staffing roles, or using the principle of subsidiarity in decision-making processes. A range of culture-smart solutions are explored in more detail in Section 2.1 of the full report.

'In our organisation culture is everything! Everything we do and the way we do it is around Aboriginal culture.'

Minimbah Preschool Primary School Aboriginal Corporation Category A Shortlisted Applicant

'Our unique culture is the thread that weaves its way through our entire operation and keeps us focused on our core values.'

Ungooroo Aboriginal Corporation Category A Shortlisted Applicant

Not all innovations are successful. The important point from applicants' stories is that people keep working to get the cultural alignment and credibility of their governance 'right'. Applicants' stories also reinforce the fact that culturally informed governance solutions are not final. Organisations are successful because they review, renew and reshape their governance solutions as

circumstances change. The very strong implication is that Indigenous culture cannot (and should not) be artificially quarantined outside of governance arrangements. Indeed, when that occurs, cultural legitimacy is put at risk.

PROFESSIONALISM AND PERFORMANCE

Comparative analysis continues to demonstrate the powerful role of effective and culturally legitimate governance in promoting Indigenous self-determination, cultural resilience and community development outcomes. What stands out about the 2016 Awards is that applicants have developed increasingly professional approaches towards governance and strive for continuous improvement. The conversation around Indigenous governance is becoming more nuanced and sophisticated, and

'Arrayed around the table at any MPRA meeting is often in excess of hundreds of years of local experience in Indigenous governance.'

Murdi Paaki Regional Assembly Category B Winner

applicants are using this increased sense of control to rebuild their governance capacity and work towards a self-determined development agenda.

Professionalism and performance are best illustrated in conversations around the selection of governing body members. Applicants are becoming more strategic in the selection of their decision-makers and there has been a significant increase in the expectation that members of the governing body will not only be informed about local culture and community, but also will also have prior governance experience, have completed governance training and be willing to participate in further governance training. One in five incorporated applicants use a board skills matrix to inform the recruitment of governing body members, and these formal requirements work as a mechanism to facilitate succession planning and balance the mix of skills, knowledge, experience, personal attributes and other relevant criteria on the governing body.

GOVERNANCE FOR DEVELOPMENT OUTCOMES

The 2016 Awards conversation stands out for its focus on self-determined governance for self-determined development. Applicants describe themselves as governors and developers in their own right, and are more focused on who they govern for and why. They direct our attention to what is working, and focus on the kinds of capacities that empower Indigenous agency

and choice. As such, the 2016 Awards are a treasure trove of rich information about how Indigenous organisations, projects and initiatives are advancing their governance to achieve self-determined development outcomes.

In this conversation, development simply refers to the ability of an organisation or group to generate change that makes life better in ways that people want. Development is sustainable when it meets the needs of the present without compromising the ability to provide for the needs of future generations. As articulated throughout the full report, development takes a variety of forms for 2016 Awards applicants. For some applicants, development is about meeting a community need around health, housing, employment or land management. For others, development is about increasing self-generated income and expanding business strengths in new markets. Development can also mean strengthening cultural vitality and collective identity, or governing the creation, collection, ownership, management and application of data.

MAXIMISING SELF-DETERMINATION

Applicants to the 2016 Awards are distinguished by their efforts to maximise self-determination in a context of major political change and funding uncertainty. These efforts are best illustrated in the diversity of applicants' incorporation status, pursuit of diversified income and the decision of some applicants incorporated under the CATSI Act to register as charities despite the issue of double regulation.

Incorporation is voluntary for some Indigenous groups but compulsory for others. Factors influencing incorporation for Indigenous groups include determinations under native title, royalties or land access arrangements and, more recently, the introduction of incorporation requirements under the CATSI Act to receive federal government funding through the Indigenous Advancement Strategy. Despite pressure to incorporate under a particular form of legislation, only six out of 30 incorporated applicants are incorporated under the CATSI Act. As such, the diversity of applicants' incorporation status suggests that, where they can, Indigenous groups continue to maintain control over the decision to incorporate under particular forms of legislation for their own purposes.

Entities regulated under ORIC (including CATSI organisations) face the potential for double regulation if they are also registered as charities. ORIC also has special regulatory powers which are more expansive in some areas than the Australian Securities and Investments Commission (the corporations regulator). This issue is explored in more detail in Sections 3.1.1, 3.3.2 and 3.1.3 of the full report. Despite the increased administration duties, reporting obligations and compliance costs for charities incorporated under the CATSI Act, it is interesting to find that all six applicants incorporated under the CATSI Act are also registered as charities with the ACNC. In fact, the great majority of incorporated applicants (28 out of 30) are registered as charities with the ACNC. One possible explanation is that having a charitable status makes an organisation more attractive to funders and, as such, starts to matter more when a group seeks to diversify income and move away from government funding. The high proportion of charities within applicants to the 2016 Awards indicates a serious effort by applicants to maximise self-

determination in a context of federal funding uncertainty. Further research would be required to better understand how CATSI corporations are navigating increased administrative and compliance obligations.

LEARNING FROM MISTAKES

Governance is not all plain sailing and all organisations have a lifecycle of ups and downs, good times and hard. There will always be times of difficulty, and lessons to be learned from these experiences. The Awards applicants have many valuable lessons to share about why some organisations make it and others do not. The factors that help organisations to thrive are often to do with the overall effectiveness, resilience and sustainability of their governance.

'We have decided to apply to the 2016 Indigenous Governance Awards not because we think we have all the answers, but because we would like to pass on the story of our journey.'

> Central Australian Aboriginal Congress Category A Shortlisted Applicant

Effective governance is about working out the balance between the need for continuity and consolidation on the one hand and renewal and innovation on the other. Stories from the 2016 Awards suggest that a different balance is required at different times and in different contexts. There is a growing awareness among applicants of the value of strategic planning, action, monitoring, review and learning to inform future strategic planning. Alongside their strategic planning, applicants have tailored a variety of processes to evaluate, monitor and review their work to ensure it remains relevant and responsive to ever-changing priorities, goals and actions. Applicants tailor these processes to suit their goals and the needs of their members, community and industry, any associated compliance obligations, the size of their programs and the number of staff. Together, Awards applicants confirm

Emerging Trends

A number of principles and practices have emerged as potential trends to observe in future Indigenous Governance Awards. These trends are presented below in no order of priority.

CULTURAL SAFETY AND CULTURAL SECURITY

that groups that adapt and flourish over the long-term are groups that are innovative and adaptive in their governance capacity, structures and processes.

Cultural safety and cultural security have emerged as strategic concepts for applicants to the 2016 Awards and are linked to the overall responsibility of governing. All shortlisted applicants made a connection between their governance and vision to provide Indigenous peoples with access to culturally safe and secure spaces, programs and/or services. Fifteen applicants explicitly used the terms 'cultural safety' and 'cultural security' to discuss how their governance is informed by culture-smart governance solutions.

Cultural safety and cultural security are generated and governed through policies and practices within Indigenous communities and organisations, as well as in relationships with external government organisations. The 2016 Awards suggest the beginning of a potential trend. It will be interesting to observe if there is an increased emphasis on cultural safety and cultural security in future discussions of Indigenous governance.

DIVERSIFICATION: FUNDING, INCOME AND PARTNERSHIPS

Diversification has been a significant priority for the past three cohorts of Awards applicants. Nearly threequarters of the 2016 incorporated applicants reported diversification as part of their financial plan, continuing the trend set by 80% of

'Cultural safety enables everyone of cultural and individual difference.

Secretariat of National Aboriginal and Islander Child Care Category A Shortlisted Applicant

incorporated applicants in 2014 and 63% of incorporated applicants in 2012. Applicants seek to diversify for multiple reasons, including to reduce their reliance on external funding, enhance stability in times of external political change, increase the flexible use of funds for self-determined purpose and maximise their impact.

Between 2012 and 2016, the number of incorporated applicants sourcing funding from government more than halved (a decrease of 56%). This is significant, but also consistent with the accelerating upward trend for incorporated applicants to generate income through partnerships with organisations in the not-for-profit and private sector (an increase of 40% between 2012 and 2016). Applicants have been consistent in generating their own income, with just over half of all incorporated applicants (17 out of 30) generating income through commercial activities, fundraising, rental revenue

Analysis reveals a significant decrease in applicants receiving government funding, a gradual increase in self-generated income and an accelerating trend towards income generation through partnerships.

and membership fees. These findings are explored in more detail in Section 3.1.8 of the full report.

Interestingly, applicants to the 2016 Awards discussed financial funding-related challenges less than applicants in 2014 (a 33% decrease among incorporated applicants and a 17% decrease among informal groups). Given that funding restrictions and program hyper-change within government remains, this may indicate that Indigenous organisations have been

Applicants frequently state their preference for entering into funding agreements with like-minded and culturally secure funding bodies

effective in their strategies to diversify their funding bases and consequently feel less uncertain about, and less dependent on, government funding.

SUBSIDIARITY

The principle of subsidiarity emerged as a strategic concept for applicants to the 2016 Awards. Although applicants do not often use the term to describe their governance arrangements, the principle of subsidiarity clearly informs how applicants select their decisionmakers and hold them accountable. A high proportion (80%) of all applicants apply the principle of subsidiarity in decision-making processes by reserving decision-making power for the people most affected by decisions: Aboriginal and/or Torres Strait Islander people, future leaders, family and/or language groups, Indigenous women and youth, Elders and Traditional Owners. Decision-making power is also reserved for people on the basis of their specific skills and experience, with the number of positions varying according to the size and demography of the organisation, project or initiative. In this way, subsidiarity informs the representation of different interest groups in the decision-making process, ensures decision-making processes align with Indigenous cultural values, and supports the authority and legitimacy

> The majority of applicants always use or prefer to use consensus approaches to decision-making. This mode of decisionmaking is reported to be an important method to maintain harmonious relationships and build legitimacy for the decisions made and actions taken.

of decisions made. Subsidiarity and consensus decision-making are both unique to Indigenous modes of governance and are explored in further detail in Section 5.1.2 of the full report.

THE ROLE OF **EFFECTIVE INDEPENDENT** NON-INDIGENOUS **DIRECTORS**

The role of independent non-Indigenous directors has emerged in a number of applicant responses and, as such, is a potential trend to observe in future Awards. Almost one-quarter of incorporated applicants supplement the expertise on their governing body by appointing non-Indigenous specialist directors, while maintaining an Aboriginal and/or Torres Strait Islander majority. While all directors (independent or not) have the same legal duties, non-Indigenous directors often have additional responsibilities such as completing cultural competence training and engaging in two-way mentoring with Indigenous colleagues. Often, these directors do not have voting rights and, for some agenda items, are asked to leave the room.

One applicant employs external advice to hold non-Indigenous specialist directors to account.

DATA GOVERNANCE

The increase in Indigenous data governance is a trend to emerge from the 2016 Awards cohort. At least 20% of incorporated applicants work independently or in innovative partnerships with universities, research institutes and state governments to collect data on their programs, projects and services. Applicants undertake research for a number of purposes, including to evaluate the effectiveness of programs, projects and services; to ensure programs, projects and services are culturally informed and responsive to the needs of their community members and clients; to justify further funding and support; to contribute to the broader evidence base in their industry sector of operation; for advocacy purposes; and to mobilise their members. Applicants report looking for data that are produced locally, capture local priorities and concerns, and are culturally informed

'We know and can prove that our mob are healthier [and] happier than those people who do not have our supports. We know this through qualitative interviews, through blood results and attendance rates on dialysis.'

> Western Desert Nganampa Walytja Palyantjaku Tjutaku Aboriginal Corporation

> > Category A Winner

and meaningful. These data build upon existing Indigenous capabilities and knowledge, have direct practical application, and represent collective identities, rights and priorities.

The rise in community-led research initiatives may be informed by the same Indigenous concerns and priorities that have given rise to the global Indigenous data sovereignty movement, which is gaining considerable momentum in Australia. Further research would be required to examine the relationship that exists between Indigenous-led research initiatives in Australia and this global Indigenous movement, specifically, how Australian initiatives are informed by the global movement. In the

> Increasing numbers of applicants terms of setting the agenda for their increase among informal groups reporting this theme of self-

meantime, it is clear that applicants see the conduct of their own research and using the resulting data as an important part of organisational sustainability and governance resilience.

SEEING THINGS THROUGH

Almost two-thirds of incorporated applicants were established in the 1980s and 1990s and have been in operation for over three decades. Two applicants from Category B have been trading as unincorporated entities since the 1990s, which is significant considering the flexible and timespecific nature of unincorporated initiatives, which are often established, dissolved and reshaped in response to short-term community needs. These applicants demonstrate selfdetermination, impressive long-term governance resilience and adaptability, and a genuine commitment to seeing things through.

COMMUNITY ENGAGEMENT

Applicants outline several principles that guide their engagement with Aboriginal and Torres Strait Islander communities, including self-determination, informed participation, respect, trust, fairness and reciprocity. Through these diverse approaches, ongoing and effective community engagement serves a number of purposes. For example, it ensures that governance arrangements are informed by Indigenous cultural priorities and values, and are aligned

Other Key Research Findings

In addition to the overarching narratives of Indigenous governance and emerging trends, we are proud to share several key research findings from the 2016 Indigenous Governance Awards. Key findings are presented below in no order of priority.

with local self-determined community needs. It also facilitates a sense of local ownership over programs, projects and services, thereby contributing towards local self-determination.

TWO-WAY LINK: **CULTURAL SECURITY** AND INDIGENOUS **EMPLOYMENT**

Culturally safe and secure workplaces are seen as helping to attract Indigenous directors, CEOs, staff, clients and program participants, which, in turn, helps to make workplaces culturally safe and secure. Applicants to the 2016 Awards suggest that this enhanced sense of cultural safety and security enables them to work towards their goal of providing Indigenous people with access to culturally informed services.

INVESTMENT IN AN INDIGENOUS **WORKFORCE**

One in every three applicants prioritise the employment and retention of Indigenous people to ensure their governance arrangements are accountable to community and informed by Indigenous cultural priorities and values. This represents a 25% increase among informal groups and an 8% increase among incorporated applicants between 2014 and 2016. Applicants have designed a range of policies and procedures to attract and retain suitably qualified Indigenous people, aiming to build their talent pool for longterm sustainability. Applicants do not often draw a distinction between the employment of local Indigenous people versus Indigenous people from other regions.

CURRENT AND FUTURE LEADERSHIP FOR GOVERNANCE

Any substantial long-term change must be led by dynamic and passionate leaders. Applicants demonstrate a clear commitment to supporting and developing leadership through the provision of training and development opportunities to members of their governing bodies, staff and future leaders. Applicants most often describe future leaders in inclusive terms, supporting the view that everyone can be a leader. Applicants rarely frame future leaders in gendered and generational terms; when they do, future leaders are usually described as Indigenous women and young people. The most common method used to support future leaders is experiential learning, which is all about learning by doing and understanding, enhancing skills and building self-confidence.

INCLUSIVE COMMUNICATION

The most common medium of communication is electronic media, reported by 25 out of 30 incorporated applicants and five out of eight informal groups. Applicants publish information on their websites about latest developments, events, projects, partnerships

and research. Some have also established a regular social media presence on platforms such as Facebook, You-Tube, Twitter, Instagram and LinkedIn. Social media is reported to be particularly useful for engaging youth in applicants' activities. The move away from communication on noticeboards and hard copy documents to communication through electronic media is a trend to observe in future Indigenous Governance Awards. It will be interesting to see how effective electronic media is in keeping members, clients, program participants and other stakeholders well informed over time.

Three incorporated applicants formed partnerships with sports clubs as part of their communication and engagement strategies. These partnerships enable applicants to promote greater awareness of their organisation, its programs and their social message.

WOMEN IN GOVERNANCE

Applicants emphasise the key role of Indigenous women in governance, as well as the unique challenges faced by women in leadership positions. It is clear that the strength of Indigenous women lies in their unique knowledges, and value systems. Where appropriate, acknowledging matrilineal societies can also be a source of strength for Indigenous women. However, historical notions of race and gender continue to intersect, disadvantaging Indigenous women in various ways. Applicants are increasingly looking for ways to make culturally safe spaces for Indigenous women in leadership



positions, including reserved positions on governing bodies, mentoring, promoting strategies for self-care and

working respectfully around cultural

boundaries.

There has been an increased focus on internal monitoring, review and evaluation processes for incorporated applicants and informal groups. Between 2014 and 2016, there was a 42% increase in informal groups and a 14% increase in incorporated applicants using these processes.

The use of reporting (both internally

and externally) as a review mechanism is a strong trend identified in the 2016 Awards applicant cohort. There has been an increase of 34% among informal groups and 15% among incorporated applicants using this process between 2014 and 2016.



Participants in St Mary's women's craft activity program run by the Tangentyere Council Aboriginal Corporation.



The Australian Indigenous Governance Institute (AIGI) is an Indigenous-led national centre specialising in governance knowledge and excellence. We envision a future Australia in which Indigenous nations can pursue and exercise their right to self-determination and economic development through strong self-governance. We know that practical, effective and culturally informed governance is the fundamental building block for delivering real change. AIGI seek to realise this change by connecting Indigenous peoples in Australia to world-class governance practice, informing effective policy, providing accessible research, disseminating stories that celebrate outstanding success and solutions, and delivering professional training and development programs to meet the self-determined governance needs of Indigenous peoples.

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