

## **Strengthening Organisational Capacity to Improve Indigenous Australian Community Governance: A Two-Way Approach**

**Komla Tsey**

School of Education, The Cairns Institute  
James Cook University  
PO Box 6811  
Cairns 4870  
Australia  
e-mail: Komla.tsey@jcu.edu.au

**Janya McCalman**

(Corresponding author)

School of Education, The Cairns Institute  
James Cook University  
PO Box 6811  
Cairns 4870  
Australia  
e-mail: Janya.mccalman@jcu.edu.au

**Roxanne Bainbridge**

School of Education, The Cairns Institute  
James Cook University  
PO Box 6811  
Cairns 4870  
Australia  
e-mail: Roxanne.bainbridge@jcu.edu.au

**Cath Brown**

School of Education, The Cairns Institute  
James Cook University  
PO Box 6811  
Cairns 4870  
Australia  
e-mail: Catherine.brown1@jcu.edu.au

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### **Abstract**

Strengthening the two-way organisational capacity of both Indigenous and government organisations is critical to raising the health, wellbeing and prosperity of Indigenous Australian communities. A review of the Indigenous Australian literature across seven databases using multiple search terms suggested that improving governance processes is likely to require incremental strengthening of Indigenous and government organisational values, goals, structures

and arrangements that influence employees' and clients' behaviour and wellbeing. Involvement of Indigenous people in leading decision-making about their own development was critical. The literature cited effective approaches as tailored to specific situations, utilising existing community capacity and based on Indigenous community ownership of governance-improvement. Similarly, there is evidence for collaborative approaches between Indigenous people and governments that strengthen existing capacity through long-term partnering. What is important is that capacity strengthening programs have clarity of purpose; being explicit about their intent to strengthen capacity for what and for whom, and how we know their effects? In contrast, the literature cites detrimental approaches for governance including programs that do not reflect community priorities, attempts to improve Indigenous governance structures, such as through amalgamation, without attending to governance processes, fragmented, rapidly changing, ad hoc and poorly coordinated government processes, and multiple accountability requirements (red tape).

**Keywords:** Indigenous Australian, governance, capacity, leadership, organisation.

## 1. Introduction

Governance refers to the evolving processes, relationships, institutions and structures by which a group of people, community or society organise themselves collectively to achieve things that matter to them (Hunt et al. 2008). It encompasses both formal and informal structures and processes (Martin 2003). In Indigenous Australian settings, community governance involves actively strengthening Indigenous decision making and control over their organisations, and building on people's skills, personal and collective contributions and shared commitment to an organisation's chosen governance processes, goals and identity (Hunt & Smith 2006a, 2006b). It is important in its own right as a process of self-determination, and for improving service delivery and raising the health and prosperity of Indigenous communities (Dodson & Smith 2003; Hunt et al. 2008; Sanders 2004a; Steering Committee for the Review of Government Service Provision (SCRGSP) 2009).

One of the fundamental challenges in Indigenous community governance is a lack of agreed understandings about what constitutes good governance. Each community is different and local decisions need to be made about: 1) group membership and identity (who is the 'self' in their governance); 2) who has authority within the group, and over what; 3) agreed rules to ensure authority is exercised properly and decision-makers are held accountable; 4) how decisions are enforced; and 5) how rights and interests with others are negotiated and what arrangements will best enable the achievement of goals (Hunt et al. 2008; Hunt & Smith 2006). Good governance is a contested issue. Governance processes are intercultural, requiring transformation between and by Indigenous people and the wider society (Martin 2005). It is defined by culturally-based values and normative codes about what is 'the right way' to get things done (Hunt et al. 2008). It is generally agreed that good governance comprises legitimacy, leadership, power, resources and accountability (Dodson 2002). In contrast, poor governance is identified by factors such as corruption, favouritism, nepotism, apathy, neglect, red tape and self-serving political leaders and public officials (Knight et al. 2002).

In the early 1990s, the term *community capacity building* emerged strongly in the international development discourse as a result of a new focus on sustainable development (Chabbott 1999). However, there was little clarification of its use and little evidence as to whether it actually worked (Craig 2010). Ife (2010: 83) sceptically described the emergence of the term as "an effective way of legitimising a conservative and managerial form of working with communities, which did not ask too many difficult questions, and which more readily fitted the requirements of the managers and funders, rather than the requirements of the communities themselves". The initial international focus of organisational capacity strengthening was to train individuals to improve the efficiency of individual jobs (Cacioppe 2000). A shift in focus over time based on recognition that capacity to actually perform responsibilities depends on the size of the task, allocated resources and the context in which it is to be carried out (Franks 1999), led to a renewed focus on strengthening organisations through organisational culture. This resulted in centring the development of mission,

vision and values statements as well as strategic change, organisational restructuring and effectiveness. The most recent focus has been organisational transformation—assessing the fundamental assumptions of corporate philosophy and values and the structures and arrangements that shape employees' behaviour (Cacioppe 2000). There has also been a shift from working with single organisations to facilitating multi-stakeholder processes (Acquaye-Baddoo *et al.* 2010).

The term *capacity strengthening* rather than 'building' or 'developing' capacity is used in this paper. Capacity strengthening is based on a strengths-based perspective that "all people have knowledge and skills, all people can improve ... at the same time all people need to learn in order to engage in different activities which contribute to their wellbeing and prosperity" (Abdullah & Young 2010: 88). This term goes some way towards meeting the critiques by Aboriginal people such as Richard Ahmat (2001) who was cited as saying:

Indigenous people may even feel that the term 'capacity building' itself reflects a patronising view of them. To restore capacity to our people is to let us be responsible for our own future ... we have had 40 to 60,000 years of survival and capacity! The problem is our capacity has been eroded and diminished ... the concept of capacity building is the idea that Aboriginal people are innately deficient, or incapable, or lacking ... there is a danger of fostering a hidden bureaucratic racism and prejudice against our people ... our people do have skills, knowledge and experience (cited in Hunt 2005: 23)

Capacity strengthening involves accessing opportunities and processes in order to enhance an organisation's abilities to perform specific functions, solve problems, set and achieve goals; that is, to get things done (Hunt & Smith 2006b). International studies have found that organisational development that does not balance and develop the hard capacities (technical skills, functions, structures, systems, equipment, infrastructure and financial resources) and the soft capacities (values, morale, confidence, engagement, motivation and incentive) often have disappointing outcomes (Horton *et al.* 2003; Hunt 2005). The soft capacities are extremely important but are not often given high priority attention (Cacioppe 2000; Morgan, Land & Baser 2005). In Australia, Hunt (2005) argues that there is also a need for much greater attention to the cultural and cross-cultural elements of capacity development and the importance of not assuming that Western approaches will work in Indigenous Australian contexts. Capacity strengthening can relate to almost any aspect of an organisation's work—improved governance, leadership, mission, strategy, administration, program or service development and implementation, income generation, partnerships and collaboration, evaluation, advocacy and planning. Under-funded or understaffed activities fail even where capabilities exist and resources alone will not necessarily bring about change unless individuals are able to recognise and utilise those resources (Horton, Alexaki, Bennet-Lartey, *et al.*, 2003; Hunt 2005; Sen 1999).

This paper draws on the largely descriptive research from Indigenous<sup>1</sup> Australian and global settings to examine capacity strengthening programs targeting Indigenous community governance and organisational development through the intercultural engagement between Indigenous people, their organisations and Australian governments (Hunt, Smith, Garling & Sanders 2008; Merlan 1998).

## 2. Method

The literature relating to capacity building programs and Indigenous community governance was searched with the primary aim of identifying intervention research – that is, research that examines the effectiveness or otherwise of programs, strategies and activities undertaken to build the capacity of Indigenous peoples, governments and others responsible for Indigenous community governance. Seven databases were initially searched: Informit, SocIndex, AFSA, APAIS, MAIS, ProQuest and EJS e-journals using the base search terms Capacity building AND governance AND (Aborigin\* OR Indigenous OR Torres Strait) for documents published during since 2000. This review produced 954 documents of which only 22 were deemed relevant.

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<sup>1</sup> The terms 'Indigenous' and 'Aboriginal and Torres Strait Islander' and are used interchangeably in this paper to refer to Aboriginal and/or Torres Strait Islander Australian peoples.

Preliminary comparisons of the research results produced by SocIndex versus the other databases revealed extensive duplication among the 954 documents. For this reason, SocINDEX was identified as the prime database to search. A number of supplementary keyword searches were subsequently conducted using a mix of search terms from the SocINDEX thesaurus and terms commonly used by authors including leadership, community leadership, community organisation, community development, community participation, government intervention, active citizenship, capacity development and development leadership. Papers that dealt only with Indigenous Australian capacity strengthening were selected, resulting in a total of 126 publications. Recognising that many capacity strengthening programs were likely to be documented only in the grey literature, we also augmented the search with the annotated bibliography from the Indigenous Community Governance Project (2010) which lists approximately 200 references. The result was 127 relevant publications searched for this review.

Our literature review found that descriptive studies providing suggestions for what needs to be done were prominent in the literature. Well-designed evaluations assessing the effectiveness of capacity enhancement projects were rare. Of 127 Australian references reviewed, only twelve (9%) provided accounts of programs that can help determine what works. Of these, three focused on strengthening the capacity of leaders (Hagan 2009; Loza & Prince 2005; Scougall 2008), three involved informal governance through groups (Laverack, Hill, Akenson & Corrie 2009; Milliken & Shea 2007; Tsey et al. 2004), four accounted for Indigenous organisations (Mawson, Madgwick, Judd & Fergie 2007; McCalman et al. 2010; McEwan, et al. 2010; Whiteside, Tsey, McCalman, Cadet-James & Wilson 2006) and two related to Coalition of Australian Government (COAG) initiatives (Jarvie 2008; Jeffries & Menham 2008). Implementing and evaluating programs to determine what works is more expensive and logistically difficult to undertake than describing the extent of the problems, but is nevertheless critical in order to overcome the present 'sorry state' of the evidence base for improving indigenous wellbeing (Paul, Sanson-Fisher, Stewart and Anderson, 2010; Sanson-Fisher, Campbell, Perkins, Blunden & Davis 2006). None of the twelve references assessed the costs versus benefits or value for money of capacity enhancement as a strategy for promoting Indigenous Australian health and prosperity.

### **3. Results**

From the 1970s, Australian policies of Indigenous self-determination and self-management, and associated legislative, bureaucratic and social reforms encouraged Aboriginal efforts towards autonomy through the empowerment of Indigenous community-level organisations "as the primary instruments of Aboriginal authority at the local and community level" (Whitlam 1972: 697). Aboriginal communities played leading roles in building community-controlled local government, health, housing, alcohol rehabilitation and welfare services, emphasising the development of Aboriginal technical and managerial skills.

The concept of community capacity building to improve Indigenous governance entered the Australian policy arena in 1996 within the context of concern for reducing Indigenous welfare dependency, fostering local participation in decision-making and trialing new approaches to partnership and coordination across government (Aboriginal and Torres Strait Islander Social Justice Commission (ATSISJC) 2001; Humpage 2005; Hunt & Smith 2006b). For decades, Indigenous leaders had been concerned about the number of government representatives consulting with them about development in a piece-meal way—focusing on internal administrative requirements rather than the effect of their efforts and a lack of coordinated and well-planned development (Moran 2006; Sullivan 2005). Getting the right balance between operational autonomy, political support, performance and accountability was crucial. Governments responded with efforts to improve Indigenous community governance including strategic engagement with the managers of Indigenous organisations to facilitate greater Indigenous jurisdiction over matters affecting Indigenous people, applying more flexible funding arrangements and developing structures and processes in accord with Indigenous values and cultural systems (Hunt 2005).

## 3.1 Indigenous Governance Capacity Strengthening Programs

### 3.1.1 Capacity Strengthening Programs in Government

In 2004, a whole-of-Australian-government approach to Indigenous development was established through the Office of Indigenous Policy Coordination (OIPC) and a national network of 30 Indigenous Coordinating Centres. Whole-of-government arrangements aimed to strengthen Indigenous community capacity to negotiate with governments to address local community priorities and government capacity to work in coordinated, innovative and flexible ways with Indigenous communities by addressing fragmentation and lack of coordination of government programs (ATSIJC 2001; Hunt 2005). High level government representation in the OIPC (rarely given to Indigenous affairs issues) created opportunities for Indigenous groups to tap into the skills and funding-base of government departments in more seamless ways (Humpage 2005). The government implemented two interrelated reforms—Shared Responsibility Agreements (SRAs) and eight Council of Australian Governments (COAG) trials.

SRAs require an Aboriginal community to make certain commitments towards achieving its nominated goal in return for government committing funding or services. Early attempts to operationalise capacity building through SRAs resulted in tensions and confusion about what the implementation of efforts to strengthen Indigenous capacity meant for both Indigenous organisations and government and who should provide the leadership for such initiatives (Humpage 2005). Three lessons were identified: 1) the need for serious assessment of the real systemic constraints to strengthening Indigenous capacity; 2) the development of some agreed goals and approaches between governments and legitimate Indigenous representatives at a variety of levels; and 3) a genuine shift in power (Hunt 2005). A review in 2007 found that the practice of implementing SRAs had evolved in a way that was valued and recognised by most partners (Commonwealth of Australia 2009), and the program was extended to regions. A number of Regional Partnership Agreements (RPAs) have recently been signed. For example, the Many Rivers RPA between the NSW Aboriginal Land Council (representing 35 local land councils) and the Australian, NSW and local governments, resulted in the Department of Employment, Education and Workplace Relations funding a customised business development program for up to 20 “Green Teams” businesses in the region (Australian Government 2009).

COAG trials aimed to explore new place-based ways in eight locations for governments to work together and with communities to address the needs of Indigenous Australians (Humpage 2005). A synopsis review of the COAG trials (Morgan Disney & Associates 2006a) found that each trial focused on different priorities and was very different in the manner of implementation. Key lessons included a need for respectful interaction between governments and Indigenous communities, a focus on shared responsibility, locally responsive solutions, systemic changes in coordination and decision-making mechanisms for whole-of-government practice, and training across all levels of government and community organisations in how to implement whole-of-government work. The task required a significant paradigm shift and systemic change. However, the review evidenced the value of governments and communities working together and sharing responsibility for establishing foundations for longer-term outcomes through locally agreed solutions (Morgan Disney & Associates 2006b).

In spite of whole-of-government goals, however, implementation of programs and policy on the ground was beset by the fragmentation of government policy, service delivery and funding processes across agencies and jurisdictions, counter-productive statutory and program frameworks, and poor engagement at the local level (Australian Government Department of Finance and Deregulation Office of Evaluation and Audit (Indigenous Programs); Hunt 2005). These structures and processes constrained the ability of public servants to be locally responsive in their political and financial management. Remote service providers perceived that program devolution had increased red tape and that the current funding arrangements were worse than those of five years previously (Australian Government Department of Finance and Deregulation Office of Evaluation and Audit (Indigenous Programs) 2009a). Illustrating the tension between accountability and independence, remote service providers (delivering more than 20 performance and 20 financial

reports per year) asserted that improving longer-term and flexible funding arrangements would improve their organisational stability and effectiveness in meeting program outcomes (Australian Government Department of Finance and Deregulation Office of Evaluation and Audit (Indigenous Programs) 2009a). Hunt and Smith (2006b) strongly urged political commitment and leadership to share power and improve collaborative and seamless ways of working together, and to reform financial arrangements in Indigenous Affairs for better support of community governance.

Greater progress has been made in creating sustained capacity and legitimacy when a facilitated community development approach is taken through collaborative approaches to governance

**Box 1: COAG Trial in the Murdi Paaki Region of Far West New South Wales**

**Issue Addressed:** A five year COAG trial aimed to explore innovative ways for governments to do business and deliver services based on Aboriginal community-defined priorities. The communities' consistent message was "stop talking, start listening, and work with us to deliver" (Jarvie 2008: 6).

**Method:** The trial was led by a partnership of high-level bureaucrats from the Commonwealth Department of Education, Science and Training and NSW Department of Education and Training with 16 Indigenous communities. Community working parties were established to build trust and develop community plans articulating local priorities and expectations of shared action and responsibility. Local government representatives established a cross-jurisdictional action team to coordinate activity and be the "face of government" and community facilitators and an Indigenous mentor were engaged to access technical and professional skills, governance and leadership training and support, and provide representation on regional planning and service delivery bodies. Workshops were held six-monthly to share ideas and learn from each other.

**Results:** Three success factors were identified: 1) building trust 2) enhancing community capacity 3) finding a way for government agencies to work together. Challenges included the slow pace of change as governments "figured out" how to work responsively and how to start thinking "outside the box". Outcomes included strengthened community governance and leadership skills, increased capabilities of government agencies, and improved coordinated responses to community-identified needs through 29 SRAs with tangible benefits in education, health, law and justice and economic development. A Regional Partnership Agreement was also signed for a Murdi Paaki Young Leaders program, and Wilcannia and Walgett were designated as Remote Service Delivery sites.

**Conclusion:** Two-way capacity improved but, in retrospect, the process would have been strengthened by earlier investment in enhancing community capacity and greater emphasis on data collection and cross-jurisdictional government relationships.

**So What:** The trial demonstrated the need to build research to underpin such initiatives in order to build the evidence base for governance-enhancing initiatives (Jarvie 2008; Jeffries & Menham 2008).

development on the ground. Box 1, Murdi Paaki Regional Council, provides one such example. Private enterprises have also formed partnerships with Indigenous organisations as a way of fulfilling their corporate social responsibilities (Suggett 2003). For instance, the Indigenous Governance Awards were established in 2005 by Reconciliation Australia and BHP Billiton to encourage, reward and promote best practice in Indigenous governance. The national awards showcase success in Indigenous organisations—strong leadership, good management, effective partnerships and creative thinking. However, as with the literature generally research is needed to understand the impact of these on strengthening governance.

### **3.1.2 Capacity Strengthening Programs Targeting Indigenous Organisations**

Indigenous organisations provide important social, economic and cultural services to their communities. Research through the Indigenous Community Governance Project (2010) documented highly competent Indigenous organisations that balance their cultural imperatives and practice within the requirements of government funding programs and incorporation (Hunt et al.

2008). There are also Indigenous organisations that struggle or fail (Dodson & Smith 2003). Challenges include under-resourcing and inability to meet the needs of clients. Related issues include low levels of staff literacy and numeracy, lateral violence (or deflected aggression from internalised colonisation towards others who will not retaliate) and a risk that training programs, under the guise of capacity building, are used as a substitute for sound education from primary through to tertiary-levels (Tsey 1997). Recent studies recognise a link between a need to strengthen leadership capacity and the need to heal past trauma (Phillips 2010; Scougall 2008). There is also a need for attitudinal and behavioural change, re-building confidence and self-belief and the transfer of knowledge and skills (Scougall 2008). As such, leadership capacity-strengthening is a long-term process.

Programs have been developed to educate directors and managers of Indigenous organisations about their statutory obligations and strengthen their administrative and other skills (Martin 2003). However, there has been a lack of training programs to teach board members how to deal with difficult issues such as legal and business issues and how to deal with external stakeholders. The Office of the Registrar of Indigenous Corporations (ORIC) developed and provides a range of corporate governance training programs for Indigenous corporations and their governing committees/boards (Australian Government Department of Finance and Deregulation Office of Evaluation and Audit (Indigenous Programs) 2009a, 2009b). The Department of Education, Employment and Workplace Relations Indigenous Employment Program and Indigenous Business Australia have also funded many business development projects and programs in recent years. Box 2 describes the evaluation of a recognised governance training package developed for Indigenous people.

#### **Box 2: Evaluation of the Certificate Four in Business (Governance) Training Pilot Program In Queensland**

**Issue Addressed:** Assessment of the environmental, cultural, social and economic impacts of ORICs Certificate Four in Business (Governance) Training package.

**Methods:** Interviews and focus groups with program graduates.

**Results:** Graduates reported positive experiences and the ability to implement practical changes in their organisations as a result of their newly acquired skills and knowledge.

**Conclusions:** The certificate had successfully strengthened both the capacity of Indigenous Directors for better governance and management and social capital. The report recommended continuous improvement and expansion of the training program including improved communication with participants' organisations, enrolment of multiple people from one organisation, quality monitoring, post-training support and ongoing monitoring of outcomes.

**So What:** The study suggests the need for hard and soft capacity strengthening within situation-specific contexts. (Loza & Prince 2005).

International studies found that successful leaders have four qualities: they infuse others with positive energy even in disempowering circumstances; think strategically and creatively about capacity development as an end in itself and as a means to better performance; use informal networks, contacts and social standing to protect the organisation; and adapt their leadership style as the organisation grows (Morgan, et al. 2005). Power and legitimacy in Indigenous settings often emerge from the informal and traditional, with capacity enhancement evolving from experimentation or in a pragmatic and incremental way. The change strategies most effective in international studies are to both indigenise techniques from the outside and modernise traditional practices and values (Morgan et al. 2005).

In Australia, there is evidence that Indigenous leaders are required to negotiate and balance their obligations to mainstream and to Indigenous community networks (Hunt & Smith 2007; Sanders 2008; Sercombe 2005). Phillips (2010: 86) describes Indigenous culturally-based principles which provide an internal mechanism for monitoring governance-building as: 1) respect and contribution

to the common good in return for autonomy and license; 2) the interconnections between humans, land, waterways and all things; 3) the critical nature of human inter-relationships, reflected in complex kin systems; and 4) belief in spirit beings and ancestors as integral to daily life.

Leaders are connected through extensive informal networks—the more ‘visible’ leaders are able to exercise authority through these networks (Hunt & Smith 2006, 2007). However, recognition of the role of informal Indigenous governance networks (including family and clan group governance) in Australia is “barely perceived or understood by those outside it, much less engaged with” (Hunt et al. 2008: 18).

Organisational capacity strengthening for good governance can take many forms. Governance capacity is greatly strengthened when Indigenous people create their own rules, policies, guidelines, procedures, codes and so forth and design the local mechanisms to enforce those rules and hold their own leaders accountable (Hunt & Smith 2007). Key design principles of good governance include: 1) networked governance models taking into account the needs of men and women; 2) governance systems arising from locally dispersed regionalism and ‘bottom-up’ federalism; 3) subsidiary and mutual responsibility as the basis for clarification and distribution of roles, powers and decision-making across social groups and networks; 4) cultural geographies of governance; and 5) emphasis on internal relationships and shared connections as the foundation for determining self-governance, group membership and representation (Hunt et al. 2008; Hunt & Smith 2007).

The case of the Central Land Council (Box 3) demonstrates a process of capacity strengthening of Aboriginal beneficiaries of mining royalties with regards to their aspirations (Campbell & Hunt 2010).

### **Box 3: Community Development through the Central Land Council in Alice Springs**

**Issue Addressed:** community development planning processes by the Central Land Council (CLC) with 15 communities and outstations. These involve the allocation of up to \$5 million rent, royalty and affected areas money from mining agreements for lasting community benefits.

**Methods:** Through its community development framework, the CLC seeks to support local people to articulate their development aspirations, identify their priority issues and draw on local and external knowledge to develop appropriate solutions which are then implemented, largely with their own money.

**Results:** External evaluation found that decision-making by various governing bodies associated with the project was improving. Decision makers were developing capacity to obtain and consider all relevant information and its implications before making decisions. Community ownership and control of benefits meant that people were more likely to engage with it and build further development opportunities onto it as well as advocate with external agencies. They have had some success in leveraging additional government resources.

**Conclusions:** shifts in government policy including the Northern Territory Emergency Response, have affected the capacity of the CLC projects to supplement government funding for Aboriginal development prioritised by Aboriginal people. Aboriginal landowners prioritised projects on infrastructure and equipment which supported remote living and cultural and social priorities such as maintaining language, transmitting cultural knowledge and healing. This conflicted with government policies which were generally moving in the opposite direction.

Other promising approaches also start from an emphasis on what people are already doing to improve

Indigenous governance and attempt to add value to existing strengths and capacities. A range of specific models and approaches are being used, including participatory methodologies to generate learning. Box 4 illustrates one such approach by Apunipima Cape York Health Council in Cairns.



#### **Box 4: Staff Empowerment and Organisational Change Management at Apunipima Cape York Health Council in Cairns**

**Issue Addressed:** Apunipima Cape York Health Council (lead health advocacy agency for Cape York's Indigenous population) invited university researchers to collaboratively develop a program which aimed to improve employee capacity to perform their roles as well as foster healthier workplace practice.

**Methods:** Combined: 1) hard capacity strengthening strategies such as review and staff training in the technical aspects of planning using the standard service delivery reporting format of the Office of Aboriginal and Torres Strait Islander Health, with 2) soft capacity strengthening including empowerment training, and 3) measuring changes in staff morale and confidence in organisational capacity over time.

**Results:** Participants identified their planning priorities; developed skills, reflected on outcomes and lessons learnt and drew upon those lessons to refine future strategies. The training was supported and attended by the Chief Executive Officer and executive staff.

**Conclusions:** Apunipima's experience did not follow a linear trajectory towards increased capacity. From a staff perspective, leadership was pivotal to the organisation's capacity for change and an important indicator of organisational wellbeing. Perceived improvements in leadership were linked to improvements in staff attitude and engagement.

**So What:** Providing a tailored capacity building approach which combined hard and soft capacity strengthening enhanced the engagement of staff and their efforts within the workplace (McEwan, Tsey, McCalman & Travers 2010).

Measures to improve governance by imposing a 'one size fits all' approach to addressing Indigenous governance is unlikely to be workable or sustainable. Governance structures for Indigenous communities and regions often comprise many small-scale, locally autonomous and sometimes fragmented Indigenous organisations, each with unique historical and cultural characteristics and varied responsibilities developed in response to the different compositions of communities and their local and cultural conditions (Maddison 2009; Phillpot 2006; Sanders 2004a). Government efforts to consolidate the dispersed structures of Indigenous governance, such as through regionalisation, have often been met with Indigenous resistance (Sanders 2004b). A Western Australian inquiry failed to demonstrate any benefit from the recentralisation of Indigenous governance from small to large remote Indigenous communities; in fact, there is some evidence to the contrary (Education and Health Standing Committee 2007). However, dispersed governance has benefits. It divides the tasks and offers opportunities for the representation of a diverse range of interests and points of view (Sanders 2004).

## **Conclusion**

Global and local evidence shows that getting governance right is hard work, but critical to improving Indigenous health, wellbeing and advancement. Governance is an issue over which Indigenous communities potentially have significant control, with sound governance structures allowing Indigenous people to effectively make decisions about their long-term goals and objectives for their communities, what kind of development they want and what actions need to be taken to achieve those goals. Good governance is about creating the conditions for legitimate and capable rule and for collective action. Some of the facilitators for organisational capacity strengthening for improving Indigenous community governance are: 1) commitment at high levels of government in partnership with the National Congress of Australia's First Peoples and other Indigenous organisations to a long term approach and flexible funding arrangements (Development Assistance Committee (DAC) Network on Governance 2005; Hunt & Smith 2005; Jarvie 2008; Morgan Disney & Associates 2006a); 2) achieving real participation and community ownership (Moran 2006); 3) understanding the complex multi-layered nature of Indigenous contexts and client service needs, and using small steps to build trust and confidence (Milliken &

Shea 2007; Tsey et al. 2005); and 4) tailored approaches that include a focus on the hard and soft capacities.

There is an increasing body of experience in dealing with the complex governance processes of Indigenous and government organisations. However, the gaps include how to reach agreed understandings of community governance taking into consideration the diversity of Indigenous governance levels, sectors and institutions; how to strengthen the intercultural processes associated with contemporary Indigenous governance arrangements both within Indigenous organisations and mainstream governance systems; how “hard” and “soft” capacity strengthening can best be combined for Indigenous governance improvement and what is the right mix; how informal processes of Indigenous governance work, what influence they have and how they could be strengthened; how to improve leadership succession, including to young people; and appropriate research to determine what works, including costs versus benefits (value for money). Strengthening Indigenous organisational capacity is a context-dependent process that needs to be carried out within a developmental approach requiring collaboration, trust and long-term commitment. The process should not become an excuse for the failings of education systems, but must reflect Indigenous cultural values and cultural norms and include both soft and hard capacities. Strengthening the capacity of Indigenous and government managers is beneficial in its own right. It also improves Indigenous community governance which, in a cyclical process of improvement, is the precursor to capacity strengthening for further sustainable development.

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