Empowered Communities

Response to the Productivity Commission's Indigenous Evaluation Strategy Issues Paper

28 August 2019

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INTRODUCTION

It is good to see the Indigenous Productivity Commissioner commence his substantive work with the request from the Treasurer to develop a whole of government evaluation strategy for policies and programs affecting Indigenous people. The Productivity Commission has long played a critical role in monitoring the entrenched and intergenerational disadvantage affecting Indigenous people across Australia. As the public policy debate in Indigenous affairs focuses on recognition, empowerment, regional partnerships, and a Voice to the Australian Parliament to close the social and economic gap between Indigenous Australians and other Australians, this work is important and timely. Empowered Communities National Leaders welcome the opportunity to comment on the Issues Paper.

One of the Empowered Communities model's foundational objectives is to drive better results for Indigenous Australians from the significant existing bucket of funds currently directed to that end. Of particular concern is the fact that, according to Productivity Commission reporting, every year upwards of $33 billion is spent in the name of Indigenous people. While much of this is on mainstream services, used by all Australians, around $6 billion is Indigenous specific expenditure. This is a substantial amount of government expenditure attributed to Indigenous Australians, with far too few tangible outcomes.

The Theory of Change that underpins the logic of Empowered Communities is that structural reform that empowers Indigenous people will result in our being able to exercise greater agency, that it will generate development (social, economic, family and personal) and that it will lead to improved productivity. Empowerment, development and productivity will strengthen culture and the eventual closing of the gap.

The Empowered Communities model draws heavily on the thinking of the late Elliot Johnson QC, in the final report of the Royal Commission into Aboriginal Deaths in Custody on the importance of empowerment in Aboriginal society, and on the writings of the late Bill Stanner, a highly regarded anthropologist, who warned in 1968 against the common thinking of the time about Indigenous programs and services, that:

> 'there would be a rapid general advance if only someone sovereign remedy were applied, such as better education or health measures, or modern sanitation, or improved housing, or higher wages, and so on. They are all in part right and therefore dangerous. If all these particular measures, with perhaps fifty or a hundred others, were carried out everywhere, simultaneously, and on a sufficient scale, possibly there would be a general advance. But who shall mobilise and command this regiment of one-eyed hobby horses? And keep them in column?'

At the time Stanner also remarked that:

> 'things are not going well. The gap between the average living conditions of the Aboriginals and ours shows signs of widening, not narrowing'. [1]

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[1] WEH Stanner, *After the Dreaming: black and white Australians – an anthropologist's view,* the Boyer Lectures, 1968, Australian Broadcasting Commission 1969, quoted in Empowered Communities: Empowered Communities Peoples Design Report 2015

Over 50 years later, in 2019, a number of systemic problems that undermine funding productivity and mitigate against closing the gap continue to plague Indigenous policy. These were flagged in our design report in 2015 and included:

1) Expenditure without outcomes.
2) An almost entirely supply driven approach, with decisions made far away from the regions in Canberra or a state capital, with little or no demand side input from Indigenous people.
3) A large industry with vested interests servicing Indigenous dysfunction and disadvantage.
4) Too much red tape and layers of bureaucracy before funding hits the ground.
5) An ongoing lack of transparency and cohesion around expenditure in regions and communities that prevents good investment decisions from being made.

In work we've done since the design report, we have identified three (overlapping) phases for driving productivity to close the gap:

1) Getting rid of straight out duplication, waste and making choices according to a cohesive regional development plan.
2) Replacing inefficient services through better procurement and migrating the rent seekers and industry middlemen out of the scene.
3) Getting better value through more rigorous evaluation, using the learning about what works and continuously seeking better returns on investment.

Over time these drivers will change but evaluation without the levers to drive phases 1 and 2 won't work.

Evaluation must empower Indigenous people

> 'too often, evaluations of key Indigenous reforms have been of limited usefulness for Indigenous people and policymakers. The evidence about what works, including for whom, under what circumstances, at what cost, and why, remains scant'.[2]

Evaluation in Indigenous policy must shift fundamentally from being a means of monitoring and reporting to government, to being an enabler for the empowerment of indigenous people through their authority and agency. We need a much greater understanding of the impact of policy and program initiatives in our regions. We need to know what is working and if policy and programs which apply to Indigenous individuals, families and communities are having an impact. We also want greater insight into why policy or program implementation is not effective, and we need early opportunities for correction or reinvestment of funds and effort to ensure that funding is directed to where it is needed most.

To do this we need to plan for evaluation, and evaluate early and continuously: this is a key aspect of our framework. Most of all we need Indigenous people empowered in the processes that evaluate and review policy and program allocation so there is transparency, choice and shared control. We need to ensure that learnings and responsive feedback loops are embedded in the practice of our evaluation and monitoring processes and that these lessons inform decision-making nationally, regionally and locally as well as the ongoing policy design and implementation of programs and initiatives.

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[2] Empowered Communities: Empowered Peoples Design Report, 2015

1. OBJECTIVES OF THE INDIGENOUS EVALUATION STRATEGY

Improving outcomes for Indigenous people is the right overarching objective for the Indigenous Evaluation Strategy. Below this there must be clarity on what we are seeking to achieve in embedding evaluation in policy and program development, and that is to learn from design and implementation processes and to adapt implementation on the basis of learnings. Evaluation must be a living process, not one that produces unused evaluation products that sit on the shelves of policy makers.

Over many years the Productivity Commission has produced comprehensive, high quality reports that have tracked and reported on Indigenous affairs system failures. Generally, this has resulted in some reorganisation of programs and services within agencies but little if any structural or institutional reform as called for in the Empowered Communities design report. These reports are compelling, and the Commission should keep producing them because they help make the strong case for change. Achieving the objective of a whole of government Indigenous Evaluation Strategy, however, will require more than a high-quality Productivity Commission report. The government will need to act on recommendations for change and compel its departments and agencies to adopt and implement those reforms as quickly as possible.

Empowerment, Development, Productivity Reform Test

 In our design report we identified a three-part policy reform test that would filter all Indigenous policy and resource inputs through the same funnel to guide the efforts of Indigenous people, governments and non-government organisations in all work in Indigenous affairs. We did not set out in detail how the test should be applied as we considered that it should be co-designed with government. The test was to be applied at the early policy development stage but could also relevantly be used to test whether a program or service already being implemented is working the way it should. While the co-design has not been done to date, it is worth reconsidering the reform test in the context the proposed Indigenous Evaluation Strategy.

The three-part test is based on the principles of empowerment, development and productivity. That is:

> ***Empowerment test:*** *Will what is proposed (or is being implemented) empower Indigenous people, or, in effect, serve to disempower those who use the service or program?*

> ***Development test****: Is what is proposed (or being implemented) supported by the international lessons of development?*

> ***Productivity test****: Is what is proposed (or being implemented) the most productive use of the available resources and opportunities?*

We would suggest that in further framing the objective of the Indigenous Evaluation Strategy that the Productivity Commission includes the following operating principles:

1) Empowerment of Indigenous people in evaluation processes with the aim of increasing the agency of Indigenous communities and leaders to co-design and influence policy and program development that impacts them.
2) Development of real partnerships with Indigenous leaders to ensure that design of policy and program evaluation reflect family, local and community aspirations, needs and interests, are regionally focused and provide for shared decision-making

3) Policy and program evaluation outcomes are shared with Indigenous people and communities with the aim of sharing learnings from implementation experience, targeting government resources productively, opening up the possibility of innovation and maximising the creation of, and incentives for, new opportunities.

Finally, in the context of the rights detailed in the United Nations Declaration of the Rights of Indigenous people, we would suggest an additional objective of improving and sharing Indigenous baseline data be considered.

2. STRUCTURE OF THE INDIGENOUS EVALUATION STRATEGY

The development of a principles-based evaluation framework would need to be applied uniformly across all Commonwealth Government agencies irrespective of existing departmental evaluation strategies. This is essential to ensure systemic change across government and consistency of approach in the roll out of the strategy. Centralising the role of Indigenous people in government evaluation processes should be done in a way that is aligned with Empowered Communities reform principles and in the spirit of true partnership, genuine co-design and shared decision-making approaches that enable Indigenous empowerment in the process.

The identification of Indigenous evaluation priorities for Commonwealth Government policy and programs is a fundamental step. This should include, but not be limited to, mainstream policy and program areas in Health, Education and Social Services with a focus on policy and programs contributing to Closing the Gap in regions. By way of example, one experience of remote Empowered Communities regions trying to access administrative data to ascertain effectiveness of investment in relation to remote education outcomes has uncovered significant reporting and data gaps which is concerning given that these are directly linked in some cases to current Closing the Gap targets. A better understanding is needed of what investment in these targets is really achieving for Indigenous people in terms of on-ground impact. We would be willing to collaborate with the Productivity Commission in the identification of policy and program areas for inclusion on a list of early priorities.

In terms of adoption of the Indigenous Evaluation Strategy across government, most fundamental to the success of this work-program, is buy-in from agencies and centralisation of an evaluation culture in design of policy and programs. Significant effort can be applied to the development of agency evaluation capacity and culture, and tools to enable evaluation processes. This is straightforward. If the mandate for policy and program evaluation is not strongly and uniformly embedded across agencies, the result is likely to be piecemeal and of varying usefulness in informing future policy and program design activities and of limited value to Indigenous people. This goes to our earlier point about the need for the Indigenous Productivity Commissioner's work to be strongly backed up by the government to ensure mainstream agencies and the National Indigenous Australians Agency adopt and implement his recommendations.

3. SCOPE OF PROGRAMS TO BE EVALUATED UNDER THE STRATEGY

Mainstream programs must be included in the Indigenous Evaluation Strategy given that this is where the majority of investment in outcomes for Indigenous people occurs. A phased approach is required that initially targets policies, programs and funding from mainstream agencies that significantly impact on Indigenous Australians, with key partners, including service delivery organisations. Even in the early days of implementing Empowered Communities we have found that there are a range of systemic and operational challenges in accessing robust information to support evaluation, and to be able to provide advice about program and service delivery effectiveness (particularly within the Indigenous Advancement Strategy).

Current reporting processes used by government to ascertain effectiveness of program implementation of mainstream programs, and the tools used to capture this reporting such as DeX and DOMINO (and there are many more), are activity and output focused and provide little insight into outcomes and impacts of investment by government on target populations. This is problematic as program implementation data is missing some of the fundamental narratives that may indicate positive change in outcomes for target populations. This gap may lead to early discontinuation of programs due to perceived program failure when in fact there is early evidence of success. The evidence base currently used in-house in agencies can lead to problems if used in lieu of robust program evaluation to make key decisions about program effectiveness and in design of service delivery.

Key gaps in data supporting the evidence base for targeting of policy and program development, and the lack of inclusion of Indigenous people in these processes, means that desktop studies using imperfect or poor evidence are often used as the basis for program location and design. This frequently results in programs continuing to be imposed on Indigenous people rather than the establishment of true partnerships to effect change. The result of this approach is multiple layers of service delivery and programs in regions that more often than not do not speak to each other in terms of holistic user focus and do not meet the needs or choice of the service users themselves. This works to further embed passive dependency of individuals and families on non-essential government funding and services.

A number of the issues that we have encountered in relation to baseline data are well known. These include the poor quality of remote area data, lack of economic development data for Indigenous people, incomplete or undeveloped regional services or program investment data, absence of data relating to culture and language, lack of concordance of geospatial data (and there are many more). The results are poor planning, implementation and investment in disconnected or incomplete services and service systems that do not speak to each other. These are rocks that have been turned over many times but we are not going to be able to build effective baseline data sets to underpin evaluation processes without addressing some of the data gap and quality issues, or without safely exploring alternative means of building pictures of this population level data and this may include considering data linkage and data integration processes.

4. EVALUATION APPROACHES AND METHODS

We note the range of approaches to evaluation detailed in the Indigenous Evaluation Strategy Issues Paper. It is crucial that monitoring and evaluation is incorporated at all levels – regional, community and national. We are most interested in how the Commission's Indigenous Evaluation Strategy can assist Indigenous people in engaging more fully in understanding the impacts of investments in our regions and communities and support us in decision-making. We are building Monitoring, Evaluation and Adaptation Frameworks into our five-year Regional Development Plans. These will play a critical role in supporting our regional and community partnerships with government, and through the partnership structures will enable Indigenous agency and authority to:

- Assess whether programs/activities are having the desired outcomes and impacts over time.
- Inform decisions about program design, adaptation and re-design.
- Monitor and evaluate change at the highest levels against the Empowered Communities development goal and at those levels closest to the ground against the theory of change for a particular program or service.

We have been producing a set of detailed, easily understood guidance material for our regions and communities so that local people can engage as full partners in monitoring, evaluating and adapting services, programs and funding coming into our regions and communities, including:

- A Step by Step Guide to Monitoring, Evaluation and Adaptation (Evaluating Local Empowered Communities Initiatives)
- An Empowered Communities Playbook – the Empowerment Journey
- Empowered Communities Implementation Kit
- Program Logic Model for Empowered Communities
- Guide for Service Providers in Empowered Communities regions and communities.

We have not attached this material to our submission but would be very happy to share it with the Commission.

The challenge for monitoring and evaluation that is universal for all Indigenous regions and communities in Australia is that it must enable Indigenous people to both understand the impacts of government support and investment in their regions and communities, and also become a tool of local decision-making, adaptation and continuous improvement.

> *'Indigenous communities are not laboratory environments, and the science of evaluation in such complex settings is not as precise as much of the rhetoric may suggest. For example, even the most rigorous impact evaluation of a program that identifies it is working (setting aside all the difficulties of small numbers and attribution in communities crowded with interventions), provides no guarantee that the program can be adapted or scaled up to work elsewhere. Success in these complex settings tends to be highly context specific. Often it is a naïve idea to think that you can evaluate programs 'here' and adapt them to solve the problem 'over there[3]'.'*

Evaluation should be considered from the perspective of contribution to outcomes and impacts from a regional perspective to start to unpick siloed government investment. Outcomes should be tied explicitly to Closing the Gap. In many areas innovation and experimentation must be encouraged through co-design, so that new approaches are informed by the existing evidence base and local knowledge and experience. We strongly advocate the use of innovative evaluation approaches that allow for adaptive incorporation of evaluation learnings rather than highly structured approaches that have their origins in clinical trials.

Despite the complexities, establishing an Indigenous evaluation strategy is a unique opportunity to ensure that evaluation practice, implementation and collaboration processes and approaches are empowering, accessible, innovative and accountable.

5. EVALUATION PRACTICE IN AUSTRALIA

Empowered Communities regions have been included in few Commonwealth Government program evaluations despite the number and breadth of programs that are rolling out across these Empowered Communities regions. Examples include:

1) In East Kimberley, views of Aboriginal Leaders, community members and Cashless Debit Card participants were sought in the two evaluations of the Cashless Debit Card. The evaluation process was not conducted formally in partnership with Empowered

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[3] Pama Futures, Empowerment and Development Agenda to close the gap on Indigenous disparity in Cape York Peninsula, March 2018

Communities. The second evaluation is still being finalised so the communication processes back to the community are unknown.

2) A number of regions (Inner Sydney, East Kimberley, NPY, Cape York) have provided input to Joint Decision-Making processes as a form of program evaluation and investment planning at the regional and service level only but have not been formally engaged as a direct partner in any evaluations undertaken by the Commonwealth Government except where they have opted to contribute to calls for public submissions.

Empowered Communities partnership with the National Indigenous Australians Agency in Joint Decision Making around ceasing grants funded under the Indigenous Advancement Strategy provides a strong, but small, partnership example where Indigenous organisations work with government to evaluate program outcomes, service provider performance and investment efficacy to improve the productivity of funding investments. The assessment process is agreed between partners at the regional and/or local level. Given that the Indigenous Advancement Strategy is just one of the multiple funding streams that are invested in regions there are a significant number of policy and program areas whose impact remains unknown, with little transparency. Empowered Communities is keen to expand the process beyond ceasing Indigenous Advancement Strategy grants given the positives flowing from it, particularly in terms of empowerment of local people in decision-making and the value add to government funders through access to more granular information about service and funding impacts on the ground.

As discussed in Section 4 above, Empowered Communities is currently embedding participatory evaluation processes across regions under the umbrella of the Empowered Communities national theory of change. Key to the roll out of this work program has been an open conversation about building skills in areas such as monitoring and evaluation, adaptive learning and in data discovery and analysis.

Also, in some regions, discussion about monitoring and evaluation with opt in organisations is starting to take the form of informal communities of practice discussing issues ranging from evaluation to access of data. These processes are in the early days but provide an example of how Empowered Communities as an approach is serving to build this capability within regions.

6. RELEVANT PRINCIPLES FOR AN EVALUATION FRAMEWORK

Principles based evaluation is a way of working in areas of social innovation. The establishment of a set of principles to guide the Indigenous Evaluation Framework will only be useful if agencies buy into the approach and actively use the principles as fundamental guidance to understand what principles-based evaluation entails. In reviewing the principles provided in Table 4 of the Issues Paper there are many that are largely relevant.

The Commission should focus on agreeing a small number of principles – maximum 4-5 principles - that are focussed, meaningful for all who will have to comply with them, and avoid the temptation to develop a long list of principles that encourage agencies and others to take a 'tick- a-box' approach

7. EVALUATION PLANNING

Empowered Communities has limited ability to comment on the extent to which evaluation is planned for in the design and development of Commonwealth Government policies and programs apart from observing that evaluation processes appear to be retrofitted rather than being built into the front end of the policy and program development cycle. This continues to result in summative evaluations being undertaken to assess policies and programs whose impact horizons sit well

beyond the standard 3-year plus funding cycles. Additionally, when this occurs it is often too late to make course corrections if the under-pinning policy or program assumptions are not right or have been incorrectly implemented.

Given the dynamic nature of the reform process being undertaken in many of the place-based, collective impact and co-design models that government is currently funding, the use of principles-based evaluation models would serve to embed methodologies that are able to manage the dynamic nature of the policy frame.

8. INCORPORATION OF INDIGENOUS PERSPECTIVES INTO EVALUATION

Indigenous knowledge, perspectives and priorities are rarely incorporated into the design and implementation of evaluations of Commonwealth Government programs. This could be significantly improved through the following approaches:

1) Adoption of consistent principles-based approach to evaluation of mainstream and Indigenous programs.
2) Development of advisory and shared decision-making structures, that ensures inclusion of Indigenous perspectives in evaluation design.
3) Enforce rather than encourage consistency in approach to Indigenous evaluation frameworks across all Commonwealth Government agencies.
4) Include Indigenous people early in planning for and design of evaluation processes so that adaptive learning can be implemented during policy or program implementation and this information communicated to communities.
5) Establish initial priorities for the Indigenous Evaluation Strategy across a set of key program areas, which aligns in the first instance with all mainstream and Indigenous specific programs contributing to Closing the Gap targets.
6) Establish programs to build cultural capability as part of the fundamental principles of the Strategy.

9. ACCESS TO DATA

Accessing data to underpin the development of baselines to inform adaptive practice and evaluation processes has been a significant issue for Empowered Communities. A number of ongoing challenges remain in the establishment of baseline data such as:

- Data quality of small area data.
- Concordance between data sets due to varying administrative areas captured within geospatial boundaries.
- Access to administrative data.
- Establishment of comprehensive sets of regional service system and program investment data.

Additional challenges in terms of data quality and access include:

- At least in the NT, difficulty accessing accurate information on Year 12 attainment due to lack of consistency between statistical definitions.
- Lack of support from State and Territory agencies in accessing state held data sets.
- Generally poor quality of remote area education data held by ACARA[4].

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[4] Australian Curriculum Assessment and Reporting Authority.

- Lack of Indigenous flags on the ABR[5] meaning that for economic development measures counts of Indigenous businesses are very difficult to ascertain.
- Data sets linked to language and culture are not available but are key measures across many Empowered Communities regions.

Building statistical literacy is a key issue at a regional and sub-regional level with Indigenous organisations indicating that access to data and understanding how to analyse and communicate it are an ongoing challenge. We would also suggest that governance of data needs to include principles that support Indigenous data sovereignty.

Finally, in supporting engagement in and transparency of evaluation findings, Empowered Communities supports the publishing and public distribution of evaluation reports except when sensitive cultural information is included or if data privacy and confidentiality conditions cannot be assured.

10. IMPROVING EVALUATIVE CULTURE, CAPABILITY AND CAPACITY

There are significant resources available through sources such as the Tamarack Institute, government agencies and the University sector. While these are useful, the main barrier for building an evaluative culture both of evaluators and those participating in evaluation processes is mandate and time: this issue should be addressed in the development of the Indigenous Evaluation Strategy. Additionally, there is a need to lift evaluation from being a compliance or academic exercise subject to methodological debate and embed it in a practical and user-friendly way as a learning and adaptation exercise in policy and program delivery. One approach may include embedding an evaluation community of practice across Commonwealth agencies and that this be established with the same status as the National Indigenous Australians Agency coordinated Indigenous Geospatial Data community of practice established in 2018.

11. EVALUATION MONITORING AND COMPLIANCE MECHANISMS

The following strategies should be considered for adoption in the roll out of the Indigenous Evaluation Strategy:

1) Development of a centralised mechanism for reporting evaluation timetables, submission processes and outcomes.
2) Establishment of an Indigenous led governance process to monitor and advise on the roll out of the Strategy.
3) Development of principles for engagement with Indigenous people.
4) Establishment of a cross government evaluation program to support implementation of the Indigenous Evaluation strategy.

CONCLUSION

Empowered Communities supports the development of the Indigenous Evaluation strategy by the Australian Productivity Commission as a whole of government strategy for policies and programs affecting Indigenous Australians. The Productivity Commission plays a critical role as an independent umpire of the performance of the institutional and regulatory system across Australia. In Indigenous affairs, this power has been less used. An Indigenous Evaluation Strategy will be most effective if the Commonwealth Government is prepared to compel its departments and agencies to adopt and implement the recommendations of the Productivity Commission, and then to leverage States and

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[5] Australian Business Register

Territories to do the same. If the strategy cannot be embedded as business as usual across those departments and agencies, then it will fail.

We would be happy to work further with the Commission as it formulates the Indigenous Evaluation Strategy.