

## LOSE RED TAPE TO LIFT OUTCOMES

*Malcolm Turnbull's well-placed to proceed with the Indigenous Advancement Strategy*

ANDREW PENFOLD

Malcolm Turnbull's accession to the post of Prime Minister creates an opportunity for meaningful progress in indigenous affairs because his business and entrepreneurial background will lead him quite naturally to approach this policy area with a focus on outcomes and reducing red tape.

As well, his experience at the pointy end of the republic referendum gives him sharper instincts than most about the need to be ruthlessly pragmatic to achieve success at a referendum, and his upbringing makes him passionate about the importance of equality of opportunity and education regardless of the economic circumstances one inherits at birth.

As his good friend John O'Sullivan observed: "The best leaders are the people who've had tough times, adversity, made mistakes and learned from them. And Malcolm is certainly in that category."

With so much money being wasted by governments for decades with no improvement in the lives of the people at whom it has been targeted, it is more important than ever we focus on real outcomes and reducing red tape.

It will be insightful to see how Turnbull brings his private-sector instincts to this policy area, because when the best businesspeople see a challenge they focus on a solution and an outcome, and they put their best people in charge of designing and implementing strategies, targets and time frames and hold them accountable for achieving them.

Governments usually do not. Instead, despite the best intentions, the dead hand of bureaucracy means that too often governments get bogged down in process and inputs.

The government's Indigenous Advancement Strategy has attracted a lot of commentary. Much of the criticism comes from people and organisations that lost funding, or is directed towards the implementation or administration of the strategy rather than the policy settings.

There are areas where the strategy can be improved but it also has several design principles that are good policy.

Efforts to focus on outcomes rather than activities and to simplify the administrative red tape are two crucial elements of the strategy.

These are also areas where one would expect a fierce meeting of minds between Turnbull, Indigenous Affairs Minister Nigel Scullion and Assistant Minister to the PM Alan Tudge.

Government funding decisions based on a competitive tender process and outcomes are not a feature that is new or unique to the program design or policy intent of the Indigenous Advancement Strategy.

In 2013 the Gillard government's guidelines for the Indigenous Employment Program stipulated "funding for IEP projects is a competitive process and applications for IEP funding will be considered against criteria to ensure that the IEP supports projects that are outcome-focused".

The rigorous focus on evidence and outcomes in the IAS is needed because billions of dollars spent in indigenous affairs for decades have been wasted.

Many organisations have been receiving millions of dollars

for years yet struggle to point to outcomes they have achieved.

A report by the commonwealth Finance Department found that "the history of commonwealth policy for indigenous Australians over the past 40 years is largely a story of good intentions, flawed policies, unrealistic assumptions, poor implementation, unintended consequences and dashed hopes".

It goes on: "Strong policy commitments and large investments of government funding have too often produced outcomes which have been disappointing at best and appalling at worst."

Given these appalling outcomes, the government is right to focus the IAS by providing funding based on evidence and outcomes, so that taxpayers and indigenous Australians always get best value for money.

The government is right to increase investment in success and to stop spending on failure.

As Scullion says: "Progress in tracking indigenous disadvantage cannot be judged by good intentions or the amount of money that is spent. Governments should be judged on results."

Before the IAS reforms, one of the problems in government interaction with indigenous communities was the sheer number of programs and agencies involved, often working independently of each other with no alignment and a lot of duplication and overlap.

The problems were magnified because indigenous-related programs were the responsibility of eight different departments at the commonwealth level alone.

On average, each organisation that received funding had 4.5 funding contracts with the commonwealth, and one organisation had 55 different contracts.

There were 820 funded organisations that were required to submit more than 20,000 performance, financial and acquittal reports.

One community with a population of fewer than 500 indigenous people was receiving more than 100 programs, delivered by seven commonwealth agencies and 11 state agencies.

This dead hand of bureaucracy has been one of the most complained about aspects of indigenous affairs for years.

Every person and organisation involved in indigenous affairs during the past 10 years has war stories about red tape and bureaucracy that make your ears bleed.

Probably more than any single other reform, communities have been screaming out for a simplification of this administration and bureaucracy — and, despite some inevitable teething and transitional problems, it's good the government is focusing on this issue.

This simplification is one of the key aspects of the IAS and one of the top priorities for Scullion.

The Turnbull era may be just what we need to be able to consolidate the hard work of his predecessor and sharpen the focus to be ruthlessly driven by real outcomes and efficiency.

*Andrew Penfold is a former corporate lawyer and investment banker who established the Australian Indigenous Education Foundation and is a member of the Prime Minister's Indigenous Advisory Council.*