

A Reciprocal Relationship:

Accountability for public value in the Aboriginal community sector

A report prepared for The Lowitja Institute



Patrick Sullivan
June 2015



Australia's National Institute for Aboriginal and Torres Strait Islander Health Research

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Acronyms

ACCHOs	Aboriginal Community Controlled Health Organisations
APS	Australian Public Service
ATSIC	Aboriginal and Torres Strait Islander Commission
CANZUS	Canada, Australia, New Zealand and United States
DAA	Department of Aboriginal Affairs
NGO	Non-Government Organisation
NPM	New Public Management
OATSIH	Office of Aboriginal and Torres Strait Islander Health
OECD	Organisation for Economic Co-operation and Development
ORIC	Office of the Registrar of Indigenous Corporations
RPA s	Regional Partnership Agreements
SRA s	Shared Responsibility Agreements

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Introduction

The Aboriginal community controlled health sector is a major provider of primary and preventative health care services to Aboriginal people outside Australia's major cities and towns (Dwyer et al. 2011: 34).¹ It is important that it functions well. There are many aspects to good service delivery. This paper contributes to one of them—good management—both in the community health services themselves and in the public sector agencies that fund them. Clearly, for every dollar spent in the health sector, efficiency in how it is distributed will pay off in improved outcomes. This is true from the highest and broadest policy-setting forums all the way down the supply chain to the interaction between health workers and clients at the community level.

Tightening efficiency is a constant concern of governments faced with limited means and unlimited demands. Nevertheless, administering a system necessarily comes at a cost: public servants, health workers and their managers must be paid; materials must be purchased, delivered and used; and there is an overhead cost in accounting for this expenditure to the general public who ultimately foots the bill.

These 'system costs' can be considerable. Commercial businesses are well aware of the tension between the way that these costs can contribute to the value of a product, and their potential for being a drain on it. They usually react to this tension by constantly looking for new ways to do things that will preserve value while reducing costs. Businesses have a lot of freedom to innovate, and within the broad parameters of the law they are able to experiment. Governments, however, are less flexible; the way that they do things is an essential aspect of their relationship with the citizenry. If they change the way things are done there is a political flowback, which is often negative. This is particularly true of government processes around accountability for public money, and for the outcomes that this public money can buy.

There has been considerable attention given to the governance and management of community-sector organisations in the past decade (Hunt et al. 2008; Productivity Commission 2010) based on the assumption that better performance in these areas will produce better material outcomes for all. This assumption, however, may have reached the limit of its usefulness. Beyond a certain point, tightly managed organisations become less efficient as the management process can begin to interfere with value creation and become an end in itself rather than a means to better performance. Flexibility and adaptability is sacrificed and new approaches to management that emphasise these qualities are treated as if they are impractical to implement.

Adaptive management, which this paper discusses below, is particularly difficult for governments to embrace, even in contracted community sector organisations, because it carries more political risk. It is important, then, to explore new forms of accountability that will allow community sector organisations to make their own decisions about how to deliver their services, experiment and take risks in doing so, while at the same time protecting governments from charges of political negligence, lack of oversight and poor choices. Ultimately, this paper aims to progress this part of the discussion of accountability and good management.

The paper begins by outlining the changing 'grand narratives' of public administration over the past century or so among English-speaking countries. It is relevant because they are never completely superseded; some elements of old approaches always survive nested in the trappings of the new. This background also helps our understanding of how things got the way they are, why we do what we do, and how we may be able to do some things better. While this is important for any kind of service delivery, it is particularly so for implementing improvements in Aboriginal health. If there is something wrong with the way that this essential public good is managed it

¹ This paper is about public policy as it relates to the Aboriginal peoples of mainland Australia, particularly in the field of community controlled health. Some policy issues discussed here may also be relevant for Torres Strait Islanders, but the author has little knowledge of this and has avoided using the embracing term 'Indigenous' where possible.

leads not only to increased costs and poor health outcomes, but to a poor relationship between Aboriginal Australians and other citizens. This part of the paper has not been written for experts in public administration who may find the general overview too simple. Rather, it sets the scene for practitioners in Aboriginal community sector organisations, with a particular focus on the health sector, to understand how the processes in which they are enmeshed have arisen over the long term.

The paper then narrows to a discussion of Aboriginal service delivery and how this has evolved through the early years of post-colonial self-determination policy, being taken up by the Aboriginal and Torres Strait Islander Commission (ATSIC), and then the current post-ATSIC environment of contestable service functions. This trajectory follows developments in public administration more generally—from traditional command and control bureaucracies, through neo-liberal New Public Management (NPM) restructuring, to the search for public value management that more recent approaches suggest may be the way forward.

The paper suggests that the way we currently do Aboriginal health business is not good enough, however good it may be in relation to what went before. It argues that the process of accountability has got in the way of the outcomes for which it should be accountable. It points out that although public management theory has moved on from rigid, one-size-fits all governance and counting inputs and outputs, our public service has been slow to catch up. It suggests, based on evidence from leading theorists, that public management is not an end in itself but must produce public value—just as a commercial business produces private value—and that the way to ensure this is to start, not at the top, but at the end of the process where accountability originates.

Setting the scene: Accountability and public administration

Stages of bureaucracy, from Weber to new public management

The first Aboriginal medical service was established in Redfern, Sydney, in 1971. By the early 1980s Aboriginal Community Controlled Health Organisations (ACCHOs) were supported across the country by the Commonwealth Government, which had taken the lead role in Aboriginal development following the 1967 referendum that gave the Commonwealth the power to act in Aboriginal affairs. The ACCHOs established during this time straddled two distinct paradigms of Aboriginal development, community controlled organisations were seen as the vehicle for development and service delivery as well as culturally appropriate self-governance (see Sullivan 2011: 48–66).

Yet throughout the 1980s a new way of organising the public sector was sweeping English-speaking countries, particularly New Zealand and Australia but also the United Kingdom, Canada and later the United States (Denhardt & Denhardt 2011: 15–16; Eckersley 2003). These public sector reforms, which will be described in more detail, were largely produced by worldwide changes in the way that governments both understood their responsibilities and carried them out. It is useful to put the microcosm of Aboriginal administration into this wider picture, partly because it can give a new perspective in contrast to the common trend of seeing Aboriginal issues as exceptional and unique, but more importantly because consistent themes emerge around the struggle to ensure that governments are responsive to the wishes of their citizens, including their Aboriginal citizens.

Classic bureaucracy reaches its limits

The question of bureaucracy and political accountability can be simply divided into two phases: early twentieth century Weberian or classic bureaucracy and late twentieth century managerialism or neo-liberal bureaucracy (see

Stoker 2006: 44). A third phase that is currently emerging—management for public value—will also be discussed.

Weberian bureaucracy is so called because the early twentieth century sociologist Max Weber described it so well. However, it is important to bear in mind that a fundamental difference in assumptions about democracy occurs between then and now. Weber, in common with the political class of his day, believed that the public did not desire direct participatory democracy. There was a stronger understanding that political representatives legitimately acted instead of ordinary citizens, rather than acting in their place. There was greater tolerance of benign elitism and a greater role for political parties to keep the politicians honestly accountable for their values and mobilise the public vote. So the political process was much less direct and more segmented than it is today and this affected attitudes to the public service. Neither politicians nor members of the public were expected to operate the machinery of government—this was properly the role of the bureaucracy (Stoker 2006: 44–5). It is characterised by:

- officials in a defined hierarchical division of labour where complex problems are broken down into manageable, repetitive tasks undertaken by separate offices/officers
- there is a career structure with long-term continuity
- the work is undertaken according to invariable written rules without favouritism and written records are kept, and
- officials are appointed on merit (Stoker 2006: 45 citing Beetham 1987).

This kind of public administration effectively establishes government bureaucracy as a third force between the people and their political representatives, apart from both of them and with its own interests. It is summed up succinctly by

the motto of the Society of British Civil Servants 'We Serve the State' (du Gay 2007: 109). In this conception, the state is something more than the people, certainly something greater than the government of the day. However, it can easily become conflated with the apparatus of the state, the bureaucracy itself, so that the motto can be literally self-serving.

James Button, originally a journalist who later worked for the Australian Public Service (APS), cast an outsider's informed and not unsympathetic gaze on it in his book *Speechless*. In it he describes the heyday of the best Weberian senior bureaucrats in charge of reconstruction following World War II, their replacement with arrogant mandarins in competition with elected politicians for power and control over policy, and the reforms that Parliament gradually enacted to deal with this (Button 2012: 124–40).²

Beginning in 1986 Labor Treasurer Paul Keating introduced the *Public Service (Streamlining) Act 1986*, and this was followed by other reforms culminating in the *Australian Public Service Act of 1999* under the Howard Coalition government. These reviews, acts of Parliament and their schedules of regulations do not themselves set out a theory of public administration, so much as identify a range of persistent problems and propose practical solutions. Nevertheless, these were informed by an emerging theory put about in university faculties of public administration that has come to be known as New Public Management (NPM).

NPM neo-liberalism reaches its limits

NPM offered to solve two important and related issues for governments in the late twentieth century: greater efficiency in delivering services, and dealing with citizens' disengagement with their political representatives. NPM was a bundle of reforms that intersected with a related trend in politics and public finance: neo-liberalism or market economics. It is common to call NPM

'neo-liberal public management', and it is true that it shares many of neo-liberalism's values and assumptions. The fundamental assumption is that market principles are the fairest and most efficient way of distributing a society's resources. This is a defensible proposition. However, in these years it was coupled with another assumption that is more problematic: that lightly regulated commercial businesses, operating in lightly regulated markets, are the most efficient means of delivering public services.

The triumph of neo-liberalism in the late twentieth century had three consequences, although only the second two concern us here. The first was widespread deregulation across state boundaries (Painter 1998), the second was an increase and extension of the privatisation of state-run entities, where possible, to privately run social and welfare services (for example, the Commonwealth Employment Service was replaced with the privately owned Job Services Australia provider network), and the third a reorganisation of public administration to imitate commercial operations according to the public service understanding of efficient business models.

Here we must note that these two aspects—tightening up internal processes and hiving off external ones—may have helped with the problem of efficiency, but did little to re-engage citizens with their political representatives. This was supposed to occur in two ways. Firstly, tightening internal reporting and job mobility inside the public service was intended to put government ministers more firmly in the driving seat of the public service, with more direct translation of political policies into deliverable programs (see Australian Public Service Commission 2006, Podger 2013: 79). Secondly, public choice theory, another neo-liberal approach, was promoted to take care of voter disenchantment (Stretton & Orchard 1994: 54–79). At its simplest, public choice theory proposed that citizens empowered to buy their services in the market place would send the most effective 'purchasing signals' to politicians as to what they most valued and desired. Neither of these developments worked

² In *Speechless*, Button evocatively characterises the attitude of many public servants: 'We were the submarine escorting the ship of state. Down here the waters were calm. If a storm [...] engulfed the ship, we would crowd around office televisions like submariners around the periscope. Then we would return to our stations, and our vessel would resume its steady advance, one that would continue, perhaps with a change of direction, whether the ship above us survived or sank.' (2012: 135)

as intended, however, particularly for Aboriginal people, and both had a negative effect on Aboriginal organisations.

More prominent ministerial control of programs tended to politicise the public service so that it was more responsive to, but also more easily directed by, mass public opinion and, therefore, susceptible to any shortcomings of professionalism in the mass media (see Sullivan 2011: 70–4).

At the same time, public choice theory attacked the legitimacy of all non-government organisations as standing between the public and the influence of their choices on politics. They were believed to be run by radicalised minorities, and motivated by their own self-aggrandisement (Maddison, Denniss & Hamilton 2004: 17–21).

By the turn of this century, NPM had begun to reach the limits of its ability to improve bureaucracies and service organisations, but had played a key role in transforming Australia into one of the most efficient countries in the Organisation for Economic Co-operation and Development (OECD), though perhaps at the cost of abandoning long-held values of social justice.

Using a matrix that correlates the level of taxation with the level of services (a good measure of efficiency) Australia ranks ninth in effectiveness and fifth lowest in taxation among 34 OECD countries. Australia is 'the only [OECD country] to be in the top ten most effective governments, but the bottom five lowest taxing governments' (Stone 2013: 7–8).

It is now politically difficult for the Australian Government to raise more income through taxes, and technically difficult to make the delivery of public services more efficient using the methods developed in the 1980s. Government administration did become considerably more responsive with NPM, and citizens were able to take advantage of more service choices. However, the price has been confusion over whether, and in what capacities, they were citizens with rights, consumers with desires or shareholders in the national corporate enterprise. Those citizens with unique rights, Australia's Aboriginal citizens, certainly had no unique place in this new order, but by this time they had themselves begun to adapt and to move on.

Accountability and community controlled organisations

ATSIC, NPM and community organisations

The Aboriginal community controlled organisations established throughout the 1970s and 1980s straddled two distinct objectives: they pursued Aboriginal rights and they delivered social services. At the end of the decade, the Commonwealth Parliament established ATSIC, a national organisation that for the first time formalised this two-fold challenge by statute. Previously, community organisations were largely funded through the Department of Aboriginal Affairs (DAA).

ATSIC was to be both an expression of self-determination and the means of delivering development grants to impoverished communities. It took over the representative function of the National Aboriginal Conference, the management and acquisition of property formerly with the Aboriginal Development Commission and the social development role of the DAA, and placed these within a regional electoral structure. However, its officers were public servants at precisely the time that the public service was being reorganised to reflect NPM principles.

Its board, the ATSIC Commissioners, was elected by regional councils that did not directly reflect its client base—the Aboriginal community sector. This complex alignment of competing interests—the government that kept a guiding hand on the organisation, the Commissioners who juggled the advice of the bureaucrats with the demands of their constituents and the community organisations that lobbied both—endured in productive tension for 15 years. It brought the question of accountability in Aboriginal issues almost daily to the fore, and arguably allowed space for the community sector to mature over the period of its tenure.

In hindsight, ATSIC was like a sealed chamber in which Aboriginal representatives could contest

new public management principles. Because of its fundamentally sympathetic understanding of the problems in the regions, its officers could partly shield the Aboriginal community sector from too rapid administrative innovation, while at the same time filtering NPM through to it; it shouldered the blame for this also. Under the overall influence of the APS, and through its engagement with ATSIC, the Aboriginal community sector absorbed new priorities, including such important principles as:

- distinguishing the responsibilities and roles of directors and management
- an emphasis on outcomes, and therefore the need for supervision of staff competency, and
- increasingly technical financial accountability.

Although at the time it was unrecognised, ATSIC itself embodied a form of accountability that has been neglected since its abolition in 2005. ATSIC, in principle, held government to account on behalf of its Aboriginal electors, as well as accounting to government for its own activities and expenditure.

In mainstream public administration literature, accountability is more military in its simplicity: there is an office-holder in authority who is due an account, and there is a subordinate who must report (see e.g. Mulgan 2002: 3). This paper argues instead that accountability is circular. Although organisations must account to their funders, the organisations themselves represent citizens and the funder is their appointed government, and so the funder must also be accountable to its base. This reciprocal accountability is manifest at all levels. As Martin and Finlayson (1996) pointed out in an essay that was groundbreaking at the time, community organisations cannot simply be assumed to represent the will of their members; they must actively meet their needs and be accountable to them as well as to the government agency that provides the funding. The agency

must be accountable to government and, equally, government must be accountable to the people. This is the model of reciprocal accountability, which is developed further at the end of this paper.

There is an uncomfortable corollary to this, one that the Howard Coalition government emphasised after abolishing ATSIC: the citizens in some respects must be accountable to the state for their actions and behaviour. This is contestable. In broad sociological terms, members of a society do owe something to the society that nurtures them, and society can be represented by the government and organs of authority. In neo-liberal governance, however, this is not a reciprocal relationship. It is a continually reinforced debt that the citizen owes the state, and it can never be repaid. So the neo-liberal state can reconcile itself with clearly un-liberal practices such as state interference with fundamental freedoms. Citizens who are continually, but never completely, repaying their debt to the nurturing state can, in this view, be legitimately controlled, disciplined and subjected to continual surveillance (see Strakosch 2012: 8–9, 13). With the introduction of Shared Responsibility Agreements (SRAs) and Regional Partnership Agreements (RPAs) following the abolition of ATSIC, the government asserted that it had met its responsibilities and it was imperative for Aboriginal people to meet theirs. The SRAs and RPAs of the post-ATSIC era not only brought NPM principles into the heart of Aboriginal community development, but also brought its flaws into the light of day.

At the start, SRAs were about providing Aboriginal communities with incentives to change civic behaviour. In a sense, they mirrored the performance agreements that NPM reforms had introduced for employees within public sector agencies. In order to qualify for advancement, individuals and communities had to perform to certain standards stipulated in each SRA (see Humpage 2005; McCausland 2005; Sullivan 2007; Strakosch 2009). Not surprisingly, they succumbed to the same bureaucratic entanglement that was increasingly evident within government departments as they, somewhat paradoxically, attempted to streamline their production systems while introducing increasing surveillance and regulation.

This was a time of great upheaval in Aboriginal communities. The Community Development Employment Program was steadily wound back, and there was no central agency for community organisations to relate to because the Indigenous Coordination Centres, that had replaced ATSIC regional offices, failed to coordinate the activities of multiple mainstream Commonwealth departments (state departments were left entirely out of the picture). Importantly, when communities failed to adapt to the new administrative systems they endangered their grant funding, but when government failed to deliver on its promises there was no recourse or ability for Aboriginal organisations to call it to account.

Despite some initial enthusiasm, especially on the Commonwealth side, neither the government nor community organisations managed to reform their relationship with each other, and the fallback response to the radical shake-up of the SRAs and RPAs regime was to revert to 'business as usual' under new acronyms. However, large-scale changes were underway in the wider administrative environment that would prove more influential than this Aboriginal-specific program. The funding arrangements between the Commonwealth and the states was fundamentally reviewed with the introduction of the Intergovernmental Agreement on Federal Financial Relations in 2008, and subsequent *Federal Financial Relations Act 2009*. Without the protection of ATSIC, responsibility for funding Aboriginal development could now be handed back to the states, through the medium of NPAs, 40 years after the 1967 referendum that allowed it to take on this responsibility.

One of the legacies of the 1970s development approach is that Aboriginal people were often criticised as 'passive recipients of welfare'. This is untrue in at least one respect: they were very active in the pursuit of government support. An unintended consequence of promoting Aboriginal development through Commonwealth grants, begun by DAA and continued by ATSIC, was that Aboriginal representative organisations became skilled grant-getters and grant-users. They understood the rules of the game as it played out in their local areas and became adept at using them. However, the rules suddenly changed. On the government side, there was increased momentum to divest some responsibilities to the

states and local government. With the removal of a central Commonwealth development agency, many of the functions that the Commonwealth Government had supported only in Aboriginal communities—such as the provision of municipal and essential services, stores, roads, some public health programs—became more clearly state responsibilities, as they are in the mainstream.

Re-engagement of the states intensified in 2007 with a change of government and the introduction of NPAs under a new *Federal Financial Relations Act*. At the same time, community services were opened up to competition both among Aboriginal service providers; and between Aboriginal service providers, other non-government organisations (NGOs), commercial organisations, and state government agencies themselves. Service delivery became a much more contested space (as NPM principles would encourage). Many of the certainties of previous decades became uncertain and the resultant turnover in Commonwealth public servants, a sideeffect of the job mobility introduced by NPM, meant that personal relationships and unwritten understandings broke down.

As the full force of the public sector reforms of the 1980s finally broke through to the Aboriginal sector one area continued relatively unscathed: Aboriginal community controlled health. This does not mean that Aboriginal health organisations did not adapt and reform over these years. They did, but they did so following their own more manageable trajectory. ATSIC had lost responsibility for Aboriginal health care early in its history with the establishment of an enclave agency within the (then) Commonwealth Department of Health and Ageing, the Office of Aboriginal and Torres Strait Islander Health (OATSIH), to administer health services. As ATSIC had shielded the community controlled service delivery sector from the full impact of bureaucratic market-mimicry typical of NPM, so when ATSIC was removed the existing relationship between ACCHOs and OATSIH shielded the sector from the aftermath. The full story of OATSIH has yet to be researched, but it is clear

that one stabilising factor in its relationship with ACCHOs was the fundamentally shared belief that improving Aboriginal health is best achieved through a network of locally controlled Aboriginal primary health care outlets. Within this shared understanding there was been much room for lower-level disagreements, and the relationship was not without conflict, but it stood the test of time remarkably well. It succumbed to the realignment of Commonwealth programs under the Department of Prime Minister and Cabinet in 2014, changes in Aboriginal and Torres Strait Islander affairs administration that are beyond the scope of this paper.

Aboriginal community sector organisations move on from governmental control

In 2011, the Aboriginal community sector in Australia passed a milestone: the top 20 organisations (by income) registered with the Office of the Registrar of Indigenous Corporations (ORIC) generated more of their own income than they received from government and other sources (ORIC 2012: 16, 17). The top 500 Aboriginal corporations had a combined income of about \$1.5 billion and about the same value in assets, with slightly less (\$1.17 billion) in equity (assets less liabilities) (ORIC 2012: 8). About 40 per cent of these 500 organisations (212 registered corporations) were in the health and community services sector (ORIC 2012: 11).

This increased independence and wealth of Aboriginal organisations poses challenges across all sectors that are not unique to Australia. At a meeting in Tucson in February 2012³—organised by the Australian National University's National Centre for Aboriginal Studies, the Native Nations Institute (University of Arizona) and the Kennedy School of Government (Harvard University)—some of the best and brightest young leaders of indigenous organisations throughout the CANZUS nations⁴ discussed the problems of indigenous

3 Common Roots, Common Futures: Aboriginal Pathways to Self-Determination Conference and Workshop, University of Arizona, Tucson, USA, 20–22 February 2012. Available at: http://ncis.anu.edu.au/events/past/common_roots_conf.php.

4 Canada, Australia, New Zealand and the United States – the major anglophone settler nations.

development. They were all conscious that in the recent past the struggle for recognition of rights had forged their organisations and their communities. But the times had moved on, and they were now mainly concerned with a more complex problem of governance.

Despite the differences in constitutional arrangements among the countries represented, all had the problem of dealing with the outcomes of large claims (through treaty, native title or compensation) that produce both cash and material assets. Not persuaded into euphoria at the 'success' of their claims, they were rather daunted by the challenge of translating them into real and lasting benefits. Some of the immediate problems confronting them include:

- an urgent need to deliver social and material benefits to extremely impoverished communities
- the need to generate cash flow to maintain their large organisations and appropriately plan and deliver social and economic programs
- the need to preserve land and sea resources, and the monetary benefits of settlements, for future generations, and
- the underlying imperative to do all of this in a way that enhanced and reflected the traditional culture on which their claims had been based.⁵

These delegates and entrepreneurs identified that they now needed business management skills, perhaps an Indigenous MBA rather than a simple certificate in community management. Arguably, they also need public sector management skills, both to understand the large bureaucracies of the states with which they are in daily contact, but also to develop their own administrative systems to deliver just outcomes for their people. Theirs is a task beyond the mainstream. It needs sound commercial management, good public management and, complicating this immeasurably, sensitivity to an ancient culture in a modern setting.

Aboriginal organisations face a new era for which they need new approaches. Such new approaches include adaptive management, managing for public value and flexible relational approaches to accountability between stakeholders.

⁵ Personal observation. Patrick Sullivan attended the Common Roots, Common Futures Conference as an observer attached to the National Centre for Indigenous Studies.

The ‘public’ in public management and public value

NPM and its discontents

As discussed above, from the mid-1980s to the mid-1990s NPM, or neo-liberal management theory, informed the sweeping changes that occurred in the APS (Eckersley 2003: 489–92; Nelson 2008: 76–105; Parliament of Australia 2010). However, by the turn of the century there was increasing disenchantment with NPM from a range of scholars who were concerned over the increased transaction costs in promoting a ‘competitive’ environment that, in practice, could not deliver genuine competition. There was not much evidence of increased efficiency under NPM, and downsizing the bureaucracy reduced accountability to the public. Purchaser/provider models of service delivery had also fragmented public service provision across numerous agencies, and programs, and relationships of trust between the bureaucracy and civil society organisations were breaking down (O’Flynn 2007: 357).

After two decades of global NPM, even the OECD expressed concern that there had been a failure ‘to understand that public management arrangements not only deliver public services, but also enshrine deeper governance values’ (cited in O’Flynn 2007: 357–8). Others had long been sceptical about the benefits of exporting NPM approaches to complex development environments involving distinct cultures and political arrangements (Minogue 2000).

These criticisms and misgivings about NPM led to renewed attention to an alternative stream in public management theory that has been proposed for at least as long as NPM (Moore 1995; Stoker 2006: 46): management for public value. As Stoker (2006: 36) puts it:

for the advocates of public value management, there is a strong sense that the public realm is different from that of the commercial sector... governing is not the same as shopping or more broadly buying and selling goods in a market economy.

Public value managers, according to Stoker (2006: 49):

... are asking more than whether procedures have been followed. They are asking more than whether their targets have been met. They are asking if their actions are bringing a net benefit to society.

This is a challenging approach but one that may be particularly appropriate for Aboriginal services in remote areas. This is because it can pay attention to intangible values—such as kinship and culture, the satisfaction of living on cultural homelands, a desire for self-governance—that contribute to a sense of subjective wellbeing. Public value management does not ask only whether people are better off in precise quantifiable terms as a result of a health program, but whether they also feel themselves to be better off because they have been treated with integrity and attention to their values and societal aims. As O’Flynn (2005 cited in O’Flynn 2007: 358) puts it:

public value [is] a reflection of collectively expressed, politically mediated preferences consumed by the citizenry—created not just through “outcomes” but also through processes which may generate trust and fairness.

Finding the appropriate public value level for adaptive organisations

As contemporary theorising about public administration moves away from encouraging the public sector to mimic the production of private value that commercial organisations produce, the need to produce public value has begun to take more prominence. Public value needs different accountability relationships than those established between a supplier of goods and a customer. The public value accountability relationship is fundamentally political.

Moore's vision (1995) of the public servant is one of a restless entrepreneur actively creating public value with the same drive that their private sector counterpart brings to the creation of private value. They are not the soulless automata of NPM theory (Bennington & Moore 2011: 3), nor are they private sector clones simply 'managing the business of government'. Moore (1995) points out that politics gives to government a unique legitimacy not mirrored in the legitimacy that commerce gives to the private sector. Governments legitimately control the use of force, and many of their relationships with the public are not the same as those between a business and their customer or client. The point of many encounters with government:

is not to please or delight the client in the transaction! And it is not to hope for more encounters of the same type—public managers don't aim for 'repeat business' [when applying sanctions] but for less business! (Bennington & Moore 2011: 7).

This introduces an important reality check into ideas of public administration that view citizens as passive clients. Moore's (1995) conception is dynamic. It involves negotiation between citizens, administrators and politicians in an active environment of desire for public benefit and the limiting of public harm.

Moore (1995) tells the public servants of advanced democracies that they need to define public value in particular circumstances, build the operational capacity within and outside of the public service to deliver it and to do this within an accepted 'authorizing environment' (Bennington & Moore 2011: 4). It is this idea of an 'authorizing

environment' that delivers some tools to community based service organisations to construct their counter arguments to bureaucrats whose only knowledge of public administration is passive absorption of NPM. Although a public servant's mandate 'can come from the legislation and/or the policies that the agency has been set up to implement', i.e. directly from government, this mandate is not a guarantee of the achievement of public value (Bennington and Moore 2011: 6). Many community workers in Aboriginal development would argue that, in complex intercultural development programs, a simple mandate deriving from legislation is never sufficient. It is more common that:

public policymaker and manager may have to create a network of partners and stakeholders, and to negotiate a coalition of different interests and agencies (from across public, private, voluntary and informal community sectors) to support them in achieving their goals. (Bennington & Moore 2011: 6)

The authorising environment, then, is not simply government, but 'a coalition of stakeholders from the public, private and third sectors... whose support is required to sustain the necessary strategic action' (Bennington & Moore 2011: 4).

Moore's insistence that the role of the public manager is to encourage the creation of public value does not deny the importance of good management practice in organisations (Hood 1991 cited in Bennington & Moore 2011:10). However, management must be turned towards those things that the public as a whole values, and the public is more than a mob of individuals corralled into a consumer group. Much could be said about the constitution of the various publics (see Warner 2002), but here we can note that there are local Aboriginal publics with distinct values that can clearly be better represented when public managers are responsive to an authorising environment that includes their representative organisations and their significant spokespeople knowledgeable in lore and culture. This is an authorising environment that includes politicians and their programs, but also informs them both in a two-way process that requires workable trade-offs (Alford & O'Flynn 2009 cited in Bennington & Moore 2011: 5). This inherent adaptability of public value management to both national and local

constraints makes it particularly appropriate to match with two other recent advances in public management theory that may benefit community service organisations: relational contracting and adaptive organisational management.

Relational contracting and adaptive management

There is a strong and necessary link between new approaches to public sector administration that emphasise the creation of public value, and new approaches to service contracting that value a relationship built upon shared goals, rather than the provision of an itemised list of outputs and activities. Stoker (2006: 48) claims that:

... above all, what public value management expects is for a relational approach to service procurement. There should not be a great divide between client and contractor; both should see each other as partners looking to sustain a relationship over the long run and should not be narrowly focused on any contract.

Since at least the late 1970s relational contracting has been proposed as more efficient and flexible than punitive classical contracting, bringing

together partners with shared objectives (Macneil 1978).⁶ It has received a lot of attention in studies of management, with views for and against, but has been shown to be particularly useful in potentially volatile situations where there is no ambiguity about the desired outcomes (Carson, Madhok & Wu 2008). This is generally true of Aboriginal public health goals (Lavoie 2005: 202–03). Relational contracting is one element of the alliance contracting model, used in delivering construction projects, in which formal contracting can also play a part. This has been the philosophy behind the successful delivery of a substantial number of new and renovated houses in the Northern Territory's Strategic Indigenous Housing Initiative Program, for example. It is characterised as embodying 'trust, long-term commitment and communication' (Davidson et al. 2011).

OATSIH made some gains in this direction through endorsing the results of a research report by the Cooperative Research Centre for Aboriginal Health, *The Overburden Report* (Dwyer et al. 2009). This report recommended the trialling of relational contracting as a replacement for the multitude of single, classical contracts currently operating in ACCHOs. The benefits of this approach are summarised in the following table:

Classical Contracting	Relational Contracting
<ul style="list-style-type: none"> • Competitive • Transaction can be specified in advance • Rigid • Discrete transaction (short-term contract) • More formal/more legal enforcement • Less risk sharing • Auditing is for control <p><i>Appropriate in:</i></p> <ul style="list-style-type: none"> • Urban setting • Selective service • Insurance company as purchaser • Selective member as consumer • Non-clinical service • Contracting with private provider 	<ul style="list-style-type: none"> • Negotiation and collaboration • Difficult to detail transaction in advance • Flexible • Long-term contract • Less formal/less legal enforcement • More risk sharing • Trust – mutual benefit • Auditing is for strategic planning <p><i>Appropriate in:</i></p> <ul style="list-style-type: none"> • Rural setting • Wide range of services • Government as purchaser • General population as consumer • Clinical service • Contracting with public institution

From Dwyer et al. 2009: 15

⁶ This section of the paper on relational contracting and adaptive management draws on the author's work for the National Aboriginal and Islander Land and Sea Management Alliance, supported by the National Water Commission, in 2011 and 2012. Available at: <http://www.nailsma.org.au/hub/resources/publication/supporting-indigenous-livelihoods-appropriate-scales-governance-nks>.

Dwyer et al. point out that 'relational contracting recognises the interdependence of contractor and supplier, and seeks to maximise the common interests of the parties in the enterprise' (2011: 36).

In creating public value, relational contracting is one of a suite of new management approaches. Adaptive experimentalist management is another. In complex, uncertain and rapidly changing environments, such as Aboriginal health, contemporary management scholarship emphasises the need for 'pragmatic experimentalist' organisations at the grassroots level (Sabel 2004). Such organisations are being promoted because they are adaptive as they:

... assume the provisionality of their goals. They institutionalize social learning by routinely questioning the suitability of their current ends and means, and periodically revising their structures in light of the answers. (Sabel 2004: 4)

Other scholars, such as Dovers (2003), call this 'adaptive management'. Many recent theories of development and public sector management emphasise the priority of process over outcome, with local organisations questioning and learning, and being adaptive to local conditions (Mosse 1998; Dovers 2003; Sabel 2004). These approaches suggest that organisations in complex environments need significant local autonomy in order to be adaptable to changing local conditions. Dovers echoes Sabel's critique of current public management with his proposal for a 'new paradigm', in this case with reference to 'adaptive ecosystem management'. This is based on the following five 'core principles':

- persistence – stability and robustness over time
- purposefulness – driven by widely supported goals
- information richness – evidence, monitoring, evaluation
- inclusiveness – stakeholder involvement, and
- flexibility – learning and adapting (Dovers 2003: 5–6)

Adaptive experimentalist management is emerging as the new paradigm for sustainable Aboriginal livelihoods in the area of environmental management, and it is equally applicable to other Aboriginal community controlled public services.

However, this cluster of similar approaches is not without problems of its own, particularly as the question of accountability is quite undeveloped in all of them. Clearly, experimentalist organisations adapting pragmatically to complex and changing needs in their area, cannot respond well to a checklist of preconceived inputs and outputs devised by remote program directors to account for progress. More appropriate methods of accountability must be found and some will be suggested at the end of this paper.

These methods can best be implemented when itemised contracts between government and service organisations are instead replaced with contracts that set the parameters of their mutual aims and establish processes to nurture a relationship between the parties. This requires a shift from classical contracting to relational contracting.

Adaptive, experimentalist, pragmatic organisations working with relational contracts to government are potentially much more effective at promoting development in remote areas than service organisations that simply replicate mainstream bureaucratic processes and act directly under the remote control of government. However, they are clearly also more risky. All of the approaches described here neglect the management of political risk and, therefore, the main impediment for government to trial such approaches. The remainder of this paper begins to address this by examining the dynamics of accountability in the community service sector and suggesting several ways that new forms of accountability can be appropriate to the planning, implementation and evaluation of tasks that community service sector organisations routinely perform.

Supporting the adaptive model with robust persistent reciprocal accountability

Governments and their public administrators are at an impasse whether they know it or not. The NPMs promised benefits of increased efficiency and more targeted outcomes for citizens have reached the point of diminishing, if not negative, returns. For service organisations, NPM has led to them being strangled by reporting and monitoring requirements, and left with few avenues to express the needs that are immediately in front of them. On the other hand, attempts to loosen the stranglehold, allow cooperative partnerships to find their feet and try things out on a 'what works' basis are fraught with political risk. Ken Henry, Secretary to the Treasury from 2001 to 2011, perceptively identified governments' extreme risk adversity when he told public servants that if they had an opportunity to introduce a program that was likely to save a lot of money, but also carried a risk of losing money, they should consider walking away as their political masters would not back the risk (Henry 2007: 15–16).

It is a truism that governments and public servants are averse to risk. However, like many truisms it avoids the question of why this should be so. On the face of it, governments should be less risk averse than commercial businesses because they can print money and operate for long periods in deficit. They should be bold, when in fact they are timid. Commercial organisations have none of government's advantages, yet they are continuously innovative.

Although governments are routinely described as if they were corporations, with a CEO (Prime Minister), board of directors (Cabinet) and shareholders (citizens), this is a metaphor. Governments are, in fact, sovereign entities (or representatives of sovereigns). Their relationship with external parties is rigged by rules that only govern sovereigns, their 'market' is entirely internal and their 'shareholders' are also their only customers. Governments largely rise and fall on internal relativities: how well its citizens are doing in relation to each other, how well they have done in relation to the past and in relation to their hopes for the future.

Corporations, on the other hand, take risks to survive. Although the risk of failure may possibly lead to severe consequences, failure is certain if risks are not taken, especially if competitors are taking those risks and they are paying off for at least some of them. Governments typically do not fail catastrophically by being repetitive and innovating slowly. For governments there is greater risk in doing something than in doing nothing.

In this respect recent research on the role of independent board members is relevant. This research finds that independent board members destroy value for shareholders because they are averse to risk in the same way, and for the same reasons, as governments (Swan & Forsberg cited by Bartholomeusz 2014). The comments cited above by the ex-Secretary to the Treasury accurately point out that governments and their public servants are more comfortable with reporting that nothing much has been happening than having to admit that a risk has been taken that unfortunately hasn't delivered the handsome results it promised. The processes of internal accountability reflect this bias, and new approaches to public management should accept this political reality.

If new forms of management and cooperation for the better delivery of public goods are to succeed they need innovative and robust forms of accountability that will manage political risk at least as competently as the repetitive counting of outputs required by NPM. New methods should be based on a fresh understanding of the accountability relationship between governments, service deliverers and citizens.

As stated above, social accountability is circular not hierarchical. The important points on this circle for our purposes are government, NGOs, citizens and administrators (public servants, intermediate managers). Circular accountability is also reciprocal. It is not simply handed on from one player to another in the circle until it arrives back at the beginning. More accurately, it oscillates backwards and forwards so that at

every point there is a two-way flow of information and feedback between each of the stakeholder groups, thereby forming an arc of accountability between nodes on the circle but not ignoring direct relationships across the circle (see figure 1).

Bearing this in mind, it is useful to look in turn at some of the most important arcs of reciprocity in the accountability cycle: government/citizen, citizen/organisation, organisation/government.

This last line is typically not direct; it leads across the circle through public sector managers to government and citizens. The crucial relationship here is between public servants and community sector staff. Public servants' mediation of the relationship between governments and citizens (and citizen representative organisations) is discussed below.

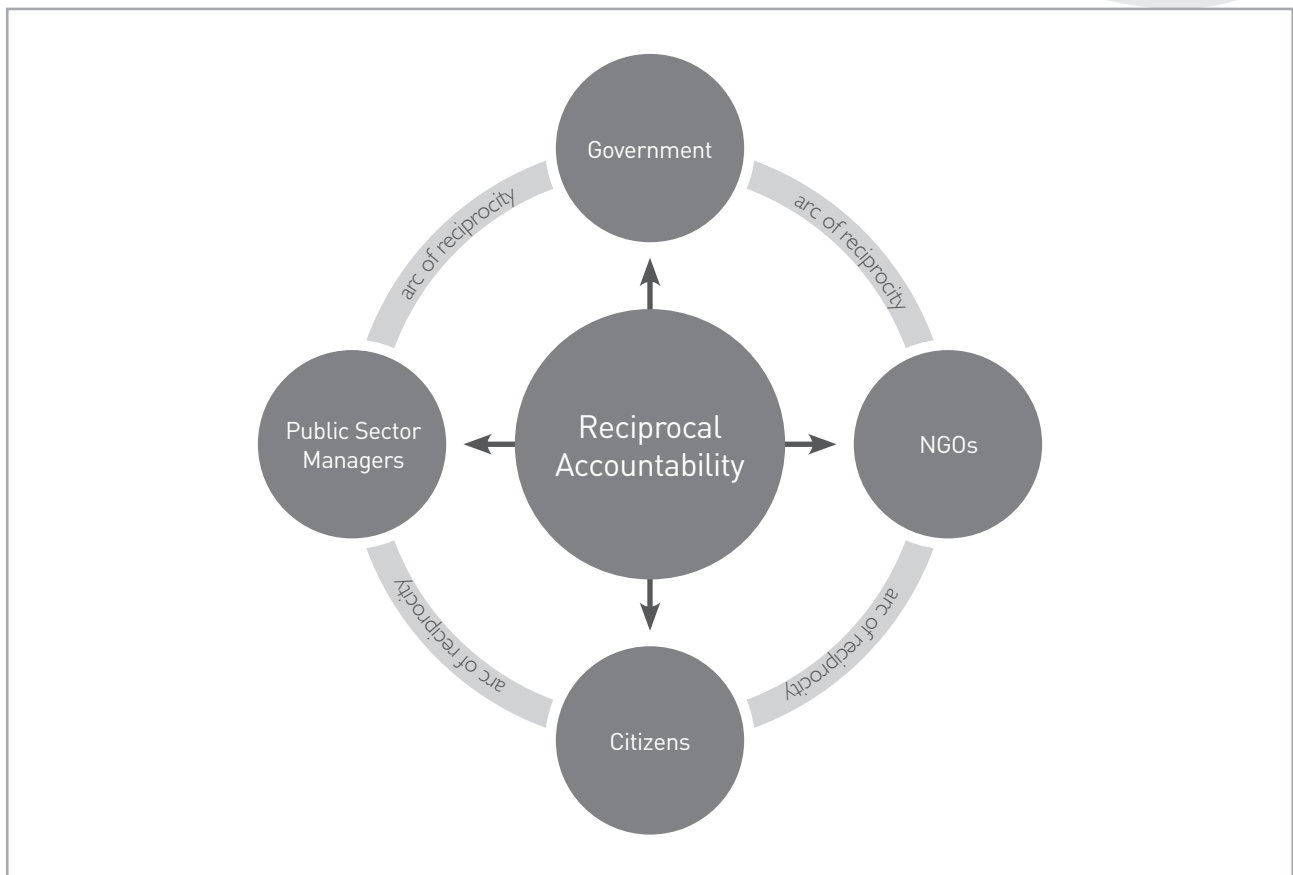


Figure 1: Reciprocal accountability

Governmental relations of reciprocal accountability

Political representatives and citizens in a democracy have a direct, though intermittent, accountability relationship through elections. There is also an indirect relationship of dialogue through the press and other media. Less often, there is direct communication at a party convention, public meetings, parliamentary committees and the like. In general, these avenues for citizens to hold governments to account fail disadvantaged minorities, precisely

because of their disadvantage. Equally, the role of politicians in persuading and guiding citizens, and asserting leadership through directly persuading their constituents of the needs and merits of disadvantaged minorities, particularly remote-area Aboriginal people, has become a bridge too far for contemporary politicians.

Consequently, governments tend to make Aboriginal policy for the majority population (see Sullivan 2011: 73–4). Public value here is what the population as a whole is perceived to value. Often, the wider public's values are founded in

ignorance of Aboriginal circumstances and the complexity of problems on the ground. Despite the public generally being well disposed towards Aboriginal people, it relies more heavily than usual on leadership from government and the media because of its lack of direct experience of the issues. This is not a sound basis for good policy and it is not surprising that centrally planned Aboriginal policy initiatives routinely fail (see Shergold 2013).

Robust accountability of government to disadvantaged citizens requires both the negotiation of acceptable public value outcomes with those citizens and agreement on acceptable processes to achieve them. In practice, as argued below, if agreement can be reached on good processes it is less necessary to keep up a continuous surveillance of the outcomes.

The media still have an important role in giving voice to minority groups, and also in reporting to the general public on the progress of public expenditure and broad national aspirations for minorities. However, this comes with a heavy responsibility to report accurately when agreed processes are being followed and when agreed outcomes, possibly different to the immediate material benefits expected, are on track for delivery. Journalists and editors, however, often cannot be relied upon to do this because news is about what is happening now, not where we are going, where we have come from and why.

In the interest of promoting good policy against such decontextualised journalism, governments need to cement their relationship with community organisations. They often fail to do so and their cherished programs are hastily re-jigged in response to ignorant media coverage, to the detriment of both government and community.

Service organisation relations of reciprocal accountability

The non-governmental service sector, the sector within which ACCHOs sit, occupies the second arc of reciprocal accountability on the accountability circle. Service organisations are necessarily intermediaries. They must be responsible to government, usually through the bureaucracy, and to their clients and members. Although under NPM reforms governments have

tended to insist on service organisations playing a purely functional role, these NGOs have equally asserted that advocacy is a necessary part of service delivery. This has often been contentious (Maddison, Denniss & Hamilton 2004).

Service organisations will work best when they concentrate on their accountability relationship with immediate funders, such as government agencies (see below for more on this), and with their clients and members. Their relationship with the latter is bound up with a service organisation's core business. If it is founded on robust accountability the organisation's potential for dealing credibly with government, public servants and the media is immeasurably strengthened.

In the formative years of the Aboriginal service sector, accountability to members was managed through elections to the board of directors and by holding annual general meetings or intermittent community meetings. Although necessary, these mechanisms are insufficient conditions for robust accountability. Through dealing on a daily basis with their clients, service organisations such as ACCHOs are in a privileged position both to communicate their own problems and to listen to client needs expressed in terms with which clients are comfortable. Often this happens in any case through the normal course of activity, though mostly through the front-line project staff and aides who have more formal interactions with clients, rather than the professionals who tend to be office- or clinic-bound.

The task for service organisations is to reinforce their community relationships through explicit means that will enable them to convince public servants and the public at large that they have a firm foundation. This requires attention to appropriate channels for feedback—such as client surveys, adequate monitoring of client progress and other forms of direct communication—that both improve their functions and stabilise the relationship of trust with significant stakeholders beyond the local level of their services. Their most significant relationship, however, is not directly with government, nor with the general population via the media, nor even their member clients. Service organisations' most significant relationship is with the government agencies that influence and deliver policy—the third arc of reciprocal accountability.

Public service relations of reciprocal accountability

On the face of it, debate over the role of public servants in relation to the public is long over. Public servants are not directly responsible to the public. Rather, each is responsible to his or her line manager all the way up the line to the top, where the senior public servant is responsible to a minister who, in turn, is accountable to the public. This is an idealised line of responsibility, of course. It is not really the way things work in practice, particularly at middle- and lower-management levels where there is interaction with both the public and public sector organisations. Not only do these public servants need to establish relationships of trust at these levels, which requires acts of individual judgment and discretion, but it also needs to be recognised that systemically the system would grind to a halt if this ideology was rigidly applied.

As Lipsky long ago pointed out in his seminal book *Street Level Bureaucracy* (1980), at the street—or local—level public servants are met with almost unlimited demand while their resources for meeting these are severely limited. This allows for local-level choices, though strictly speaking centrally directed NPM procedures do not countenance this. Consequently, this section of the paper considers two arcs of accountability at the same time: between the staff of a public sector agency (particularly middle managers and project staff) and the political level of government; and between this staff and the community service sector. Strictly, in theory, the public sector is not an agent but a value-less conduit. However, in practice its staff are crucial mediators and facilitators of both policy and practical interventions.

Nevertheless, the risk aversion of government is amplified through its public servants. Possibly, as individuals, they tend to risk aversion themselves, which is why they have chosen to work in a stable industry with little volatility and good benefits. Whether or not this is the case, at the individual level the industry is so structured that they have little bargaining power. Other skilled workers may be able to find a range of competitive businesses in their locality, but there is often only one government in town (at best two) and the only option they have is not to move on to another similar employer but

to move out of the industry. With little industry competitiveness, for many public servants the obvious industry imperative is not to do anything wrong, rather than to do something right. Within this tight constraint they have developed a valuable role as interpreters and re-describers. This paper's suggestion is to acknowledge and reward this in a new environment of relational contracting and adaptive management.

Interpretation and re-describing typically begin with communication between a public servant and a NGO service delivery manager or project officer before a formal report is required or a new program is contracted. In the best relationships understanding is reached about which of the activities prioritised by the organisation will meet the performance targets that the public servant is obliged to enforce. Re-description occurs when the nature of these targets needs to shift but the overall policy must remain the same. In this way the relationship is managed and realistic and achievable goals are set. This manages the outward flow of reporting from the local-level service organisation to the higher reaches of government agencies. Although this sort of activity is not often formally documented or studied, it is often reported as happening by those working in this relationship.

The inward flow of cash and support, such as training, is harder for the middle-level manager to achieve, for there is little that they can do if funding for a program is cut or a preferred service provider is nominated from above. They are often unacknowledged advocates for 'their' community service organisations within the public service, but also have to become the frontline hard face of government when they are unable to deliver whatever the service organisation has decided it needs.

This balancing act performed by frontline public servants would be more stable in an acknowledged environment of relational contracting and adaptive management. In this environment, the accountability of the public servant would be based on managing a relationship rather than on reports of activities and outputs, and on monitoring adaptive activity rather than on micro-managing the organisation on the government's behalf.

Such an environment would also relieve another anxiety of public servants in regional and remote areas—managing physical distance. Middle managers are often accountable for activities that they cannot directly see and assess and, therefore, cannot directly know much about, so must depend instead on reports. Furthermore, it is clearly the nature of an office worker's work that it should be office-bound, but there are also fiscal considerations. Travel is expensive in material costs (fuel, fares etc.) and doubly or triply expensive in time. A travelling manager also needs a commensurate period of recuperation, and then time to catch up on all the office work foregone while travelling; the more senior the manager the more expensive this becomes. Backfilling for a frequently travelling manager may require at least one other full-time position, perhaps more.

As a result, one aspect of accountability—monitoring government expenditure—is achieved to the detriment of another—incurring government expenditure. Quite often, there is no service at all in some areas because they are simply 'too far away' to be monitored adequately. This should not, however, be an argument for lack of service but rather an argument for local control of service delivery, with those already 'there' at the client interface incurring none of the expense of the remote manager. More efficiently managing the accountability relationship at the local level requires greater trust by regional managers in local capabilities and their own managers, plus a better accountability relationship all the way up the line.⁷

⁷ Another factor in remote service delivery is so simple that it escapes attention. Remote and very remote areas could receive much more frequent (therefore better) service if light aircraft were more frequently used. The factors controlling the limited use of light aircraft in remote Australia should be investigated ('cost' is not a factor as such, it is an aggregate of factors). Finding innovative ways to increase air service would be a relatively straightforward way of improving service delivery.

Accounting for public value

These observations on reciprocal accountabilities have given more attention to local- and regional-level relationships than to universal system-wide or upper-echelon arrangements. After all, it is at the level of interaction between clients and local services that client improvements are expected, and here is where there is most diversity. Accounting is important, but it does not exist in a vacuum devoid of context and content. In some ways, the process of accountability brings into existence the things accounted for and renders other things invisible. Clearly, it is first necessary to deliver valued outcomes before we can say that public value has been created, and before giving an account of it in terms of productive effort relative to expenditure.

The bedrock of accountability for public value must be an understanding of what is valued in the first place. This can only be done in cooperation with the client communities. Aboriginal people cannot, for example, be coerced into valuing those health outcomes that the wider community values for them. There must be a process of dialogue and consultation, which requires some movement in both directions and includes an understanding of those outcomes that are uniquely valuable to a particular Aboriginal client group.

This may mean that some national or state/territory-wide programs are simply not achievable, or can only be achieved through trade-offs in adaptability of delivery mechanisms, timescales, locations and processes. The overall package of outcomes and processes must be the object of value pursued by the coalition of service providers, clients and public administrators. It must first be agreed, and then proper processes for determining each party's accountability for its delivery can follow.

Clearly, there are political risks in this approach and, therefore, accountability must be robust; but accountability mechanisms must also be adapted to the kind of value the program is trying to achieve. Simple counting of outputs will not meet this aim.

Rather, different forms of accountability can be applied at different stages of the planning/delivery/evaluation cycle, and these can feed into each other.

At present, the initial planning stage typically involves public servants sitting in a room in a metropolitan centre with a whiteboard (see Lea 2008: 101–03; 216–18). It may later involve public servants, service providers and Aboriginal people sitting in a room in a community location usually also with a whiteboard. Individual interactions 'out in the community' between clients and non-Indigenous practitioner/administrators often do not work well (e.g. Lea 2008: 155–65) and are fraught with intercultural anxieties (Kowal 2015). In the wider community, and in overseas development projects, a lot of attention is paid to ways of gauging client attitudes prior to an intervention or program, to the successes and failures of the program as it progresses, or ongoing evaluation, and to final evaluation. Usually mixed methods are used and planning and evaluation often proceed together.

Another purpose of citizen or client engagement is also often wrapped up in the assessment activity so that, referring once more to Moore's (1995) concerns at the beginning of this paper, good process is seen as a product or outcome of the program. This paper so far has criticised the simple counting of outputs and reporting upward as too crude a process of accountability for the contemporary adaptive, flexible and relatively autonomous organisations that are required for Aboriginal development.

The following sections of the paper will make some suggestions for well-known alternative methods of including accountability into planning and evaluation: polling, scorecard reporting and narrative analysis. These are meant to be indicative of a field of endeavour worth exploring. None of them are put forward as uniquely appropriate or a panacea for poor practice.

Polling

Simple polling is a well-developed specialist activity in the wider community that has not yet been adapted for Aboriginal settings but is a fairly obvious way of overcoming both physical and cultural distance. Citizen juries also work well in some settings among the wider population (Mooney & Blackwell 2004) but do not appear to have been trialled among Aboriginal groups.

Possibly the most obvious means of assessing and influencing public values—the use of social media—is as yet undeveloped in administrative and professional contexts within Aboriginal communities, even though adoption of social media and personal communication technology by Aboriginal people is widespread. New approaches to delivering public value require new approaches to assessing and influencing values. From these, good planning and assessment of achievements can proceed.

Scorecard reporting

Planning, delivery and evaluation can often proceed together, or at least feed into each other in a reciprocal manner. A good example of this is balanced scorecard reporting (see Dyball, Cummings & Yu 2011: 336–8).⁸ This has been shown to work well in mainstream public health and in commercial operations, but only when front-line workers are involved in producing their own scorecard (Dyball, Cummings & Yu 2011: 351).

The balanced scorecard approach starts with the broad strategic statement of aims that all organisations have. Equally, communities and individuals will have such broad aspirations even if they have not been codified in the way that modern management demands of organisations. The scorecard process asks each individual to consider how they, their team, group or section contributes value to this broad aim. There is then a peer review of claims, which must be justified before being recorded. The next part of the process is to identify how an outside observer could understand that there has been progress towards these aims. What are the indicators or stages that mark success or failure—how to produce a ‘score’?

Finally, there must be a process for weighting scores and amalgamating them to see how well the organisation or community is doing in producing value at any particular time.

Balanced scorecard reporting could be a valuable tool for the planning and evaluation of government and community programs as well as for reporting on their progress. Research has shown that the process of producing the scorecard is essential to its successful use in reporting. Front-line staff must see the point in reporting against often intangible outcomes, and their compliance with the reporting process can only be assured if they have generated the benchmarks themselves (see Dyball, Cummings & Yu 2011: 338, 350–1). Ultimately, however, the report simply lists activities, both tangible and intangible, and their frequency or intensity.

Narrative analysis

The process of service delivery, on the other hand, produces narratives. Taken together the scorecards themselves have narratives embedded within them. Indeed, even conventional annual reports can be seen as narratives wrapped around balance sheets. Narrative is an underestimated tool of reporting and accountability, and one that might be particularly useful for accountability in the creation of public value (see Bessarab & Ng’andu 2010). However, there may be ways that it can be made more robust. Narrative analysis in one form or another has been a tool of social science research for decades. There are various methods for taking qualitative verbal data, such as interviews or statements, and distilling these so that consistent themes are collated to produce scientifically reliable conclusions. These tools can be useful in planning, delivery and evaluation of health services.

Accountability for robust processes

One thing that polling, scorecard reporting and narrative analysis can do better than item reporting (whether of finances or activities) is to identify and judge the quality of the processes followed. Good processes produce good outcomes but, as Moore (1995) said when arguing for public value as the

⁸ In 2013, while this section of the paper was being written, Moore published his *Recognizing Public Value* (Moore 2013). He points out, as I do here, that the balanced scorecard method is a useful way of recognising public value. This work was not available at the time of writing and his views have not been incorporated.

target of administrators, in public administration good process is also itself an outcome. In other words, the way that a service is delivered is part of service itself (e.g. Moore 1995: 49–50), particularly with regard to the relationships between citizens and governments. It is equally true of relations with service providers such as ACCHOs, which, in some ways, are proxies for government and in others are proxies for the community they serve.

So good process is important in itself, but it also has a role in reducing the burden of inappropriate accountability. We may argue about what good process is in any particular case but we cannot argue against having it. It follows, then, that processes can stand in for outcomes for much of the time, particularly where, as with health improvements, outcomes may not be discernible within the timeframes needed for accountability. As long as good processes are followed, and can be shown and tested, there will be less need for counting inputs and outputs in the process. This is particularly useful in an organisation with

relational contracts that build in flexibility to fine tune deliverables; or in an adaptive organisation that needs to retreat and re-think if an approach fails to deliver expected results; or in organisations that are in continual dialogue with clients about the nature of values held by their community.

As this paper has argued, reporting based on inputs has only limited value; it tells us that funds delivered for a particular purpose have been spent on that purpose or an activity in that area. Outcomes-based reporting is clearly preferable because it tells us whether funding has achieved its aim or not. But outcomes are often not apparent during the funding/reporting period; for example, increased life expectancy takes a lifetime to achieve fully. So spot checks on outcomes may always be required, but accountability for robust processes—to be able to demonstrate that things have been done in the right way—can stand in for accountability on outcomes for much of the time.

Concluding summary

This paper has discussed old and new approaches to public administration, particularly concerning the relationship between governments, public servants and the community services sector. Some new approaches in adaptive management for public value have been described, although they are unlikely to be adopted by governments unless their political risk is managed.

Some ways of approaching this problem have been explored through an examination of the reciprocal nature of accountability, and better processes for conducting the business of service delivery in diverse and complex settings. Good processes are required all the way along the line, including in the higher reaches of public administration, but what constitutes good process will vary as service delivery gets closer to the level of individual citizens and their communities.

The citizen level has come off poorly in the reform of public administration in recent decades. It needs to become the focus and the starting point, particularly where great cultural diversity exists such as in Aboriginal communities. Citizen focus is not only necessary for good civic governance by national governments; it is also a practical necessity. Citizens necessarily are always there, at the front line. Service providers are sometimes there, and sometimes absent in their metropolitan or regional offices. Public administrators are rarely there. Robust accountability should, therefore, be in the hands of citizens in alliance with their service providers—and only guided by the oversight of public administrators.

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