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Demand Responsive Services: An Analytical Framework for Improved Administrative Practice in Indigenous Settlements

Mark Moran

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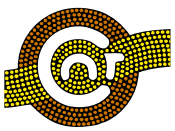

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Demand responsive services: An analytical framework for improved administrative practice in Indigenous settlements

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Abstract

Application of the economic model of demand responsiveness to government services has been successfully applied in international development overseas, and mainstream government service delivery in Australia, but not yet to Indigenous settlements. Shifting the balance in services from supply to demand has the potential to facilitate improved access, outcomes, and sustainability of services. In applying this model to Indigenous settlements, an important relationship between demand and supply of services does exist, but a deeper analysis is required beyond the economic model to account for the complex sociopolitical geographies involved. Further research is required to develop a framework to explain the interactions that occur in practice, to determine the conditions which permit productive relationships to develop between consumers and service providers. This paper presents an analytical framework through which to proceed, structured around five proposed research questions.

Introduction

Indigenous settlements in Australia are located within a unique economic context, arising from a lack of economic opportunities in remote settings, the small size and large distances between settlements, the lack of human and institutional capital, and the high level of mobility between and within settlements. Economic globalisation has favoured intensification in urban centres in Australia, resulting in increasingly large financial transfers to rural and remote areas (Holmes 2002). Both larger and smaller Indigenous settlements often have no economic base outside the provisions of governments, and have historically failed to attract private sector consumer services (Taylor 2002, 8). Market failure has led to a welfare economy, where due to a shortage of employment opportunities and ability to pay, the opportunity costs of consumer choices are not necessarily apparent.

A proliferation of service providers has ensued, mostly from government but increasingly in the form of Aboriginal organisations and private providers. The services they offer cover most aspects of life, including housing, water, telephones, power, roads, rubbish, health, education, banking, police, justice, aged care, sports, unemployment, child protection, and welfare. In the absence of the consumer choice normally found in market economies, the significance of government services and resources to the residents of Indigenous settlements is well beyond their significance to other Australians. The House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs (HRSCATSIA 2004, 161) went so far as to argue that Indigenous 'people's ability to participate effectively in the economy is strongly related to access to services and an understanding of such services.'

Despite this intensity of activity, it is questionable whether there has been sufficient involvement from consumers for any intended benefits to be realised. When services are readily available, some Aboriginal people choose to resist or withdraw (Trigger 1992, 222–4), or resort to 'scapegoating' outside employees (Holcombe 2005, 228). Even when Aboriginal people access health, education and housing services, there may be little corresponding personal investment in healthy lifestyles, education of children, or housing upkeep. Examples of the mismatch between demand and supply include low levels of attendance at staffed schools (Taylor and Stanley 2005, 43), low access to mainstream health services (Deeble et al. 1998, 21–22; Neutze et al. 1999), lack of private telephones despite universal subsidies (DCITA 2002, 5–7), and new welfare houses with a lifecycle of 4–8 years (Seemann and Parnell 2006, 3).

There is considerable disarray and disagreement on how to improve the system. Under the last 30 years of self-determination policies, decentralisation was focused on the incorporation of community-controlled organisations (Batty 2005, 211). Yet despite various efforts to decentralise management, many services became so tied with the administrative accompaniments of accountability, that little devolution of power ever occurred (Smith 2002, 5). Participatory planning was championed as a 'bottom up' means to coordinate service delivery (Stanley 1989), but this resulted in a proliferation of planning documents and a mismatch with their subsequent implementation (Moran 2004). Leaders spend an 'inordinate amount of time attending to their visiting diplomats' (Dale 1993, 533). The result is that Aboriginal leaders are overwhelmed by attending to the demands of administrating their own 'self-determination', arising largely from a complex 'rationality of accountability' (see Rose and Miller 1992).

Ongoing features of the service system are policy reform, legislative change, interdepartmental coordination, and realignment of departmental portfolios. Policies and programs are forever expanding and undergoing reform, based largely on new supply driven solutions which are seldom informed by consumer perspectives or even internal evaluations against policy goals. This has lead to a highly fragmented institutional environment, characterised by increasing regulation and escalating costs, driven by standards and economic benchmarks originating in coastal cities (FRDC 1994). New conceptualisations of the 'problem' by government result in new programs. New initiatives to devolve more 'self-governance' result in more external requirements for accountability. The rate of launching new programs exceeds the closure of old, resulting in an annual increase in the quantity of administration to be processed.

Unlike businesses operating in economic markets, there is no necessary connection between supply and demand for service providers to operate. Quite the contrary, there is empirical evidence to suggest that service providers proliferate in the absence of effective demand, leading to an increasing mismatch with local capacity. In a study at Kowanyama on Cape York, policy reforms and programs were progressed despite the knowledge that there was not the local demand or capacity to deal with them, leading to an increased reliance on outside employees. In their struggle to remain involved, leaders were less concerned by the relative merits of different policy initiatives, than by the confusion and complexity arising from endless rounds of policy and personnel changes seeking improvements (Moran 2006, 409–12). Seen from their perspective, there was a need to reduce the administrative workload, and for less complexity and more stability in the external service system (ibid, 414). This suggested that the quantity of administration was increasing at a greater rate than local capacity could match, effectively leading to a widening in the gap between local capacity and the administrative workload to be processed (see Figures 1 and 2).

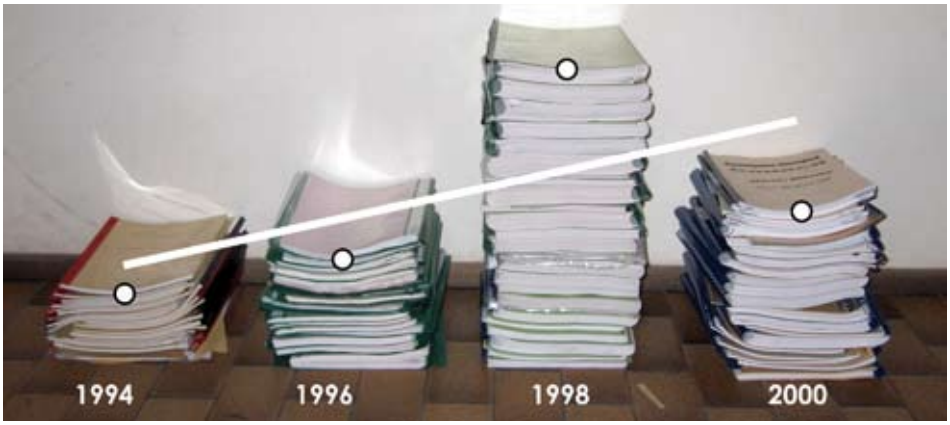

Figure 1: Increase in Volume of Council Minutes at Kowanyama

Reducing Administrative Workload

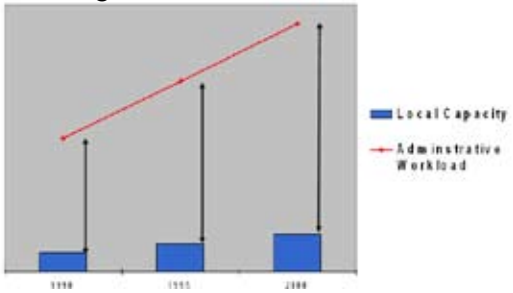

Figure 2: Hypothesised Increase in Capacity Gap

More recently, Indigenous policy reform has followed international trends in neoliberalism and 'third way' politics, towards 'joining-up (whole of) government' and 'mutual (shared) responsibility' (Sullivan 2005). Following the abolition of ATSIC, there has also been a widespread move towards mainstreaming services away from Indigenous specific programs. None of these initiatives address the fundamental imbalance between demand and supply. Indeed, the shift towards mainstreaming possibly signals a widening gap, by ignoring the differences in demand between different consumer groups.

Demand responsive services

Demand responsiveness is an established principle in the operation of economic markets. Market-based systems are considered to be better than supply driven systems, because the allocation process is demand driven by consumers. For producers to survive and prosper in the market, they must produce commodities at a competitive cost and quality, which reduces opportunities for political influence. The benefits of demand-responsive approaches have long been realised in international development practice, primarily through water supply interventions (World Bank 1996, 227–230). The international development experience is that service providers struggle to be effective when they ignore, or try to create demand, but they have a greater rate of success if services are tailored to local consumer realities, particularly in terms of cost and service level (Black 1998, 56).

Application of these principles to an Indigenous context first arose in Australia in a review (HREOC 2001) of the Water Report (FRDC 1994):

> *Implicit in this paradigm shift is the substitution of the notion of 'beneficiaries' of services with that of 'consumers' of services. Where services are consumer driven, demand is more sophisticated than just an expression of need or desire. Effective demand implies the establishment of significant public appreciation of the value of different service options and an understanding by consumers of what they can and cannot afford, how the services they select work, and how their providers and managers are performing.*

The principal author of this research, Walker (2001) maintained that some rethinking was nonetheless needed before applying this international learning to the Australian context, in light of the unique socio-economic conditions found in remote Indigenous settlements, in comparison to both poor villages in developing countries and small towns in rural Australia. The relationship between demand and supply in Indigenous settlements differs from economic markets in a number of significant ways. In terms of demand, residents of remote settlements are not in a financial position to purchase services and resources freely, and kinship pressures impact on their ability to act as individualised consumers. In terms of the supply, government has a near monopoly over services and resources, with little competition between providers. Seemann and Parnell (2006, 15) further argued that the service system is inescapably supply-driven because of an inherent circularity; government agencies provide the money and benefits to people to access services,

but these services are then in turn funded by government agencies (often the same agencies). As noted by Sullivan (2006, 11), government operates under different principles and rationality than business, and it does not necessarily respond to demand or encourage initiative:

> *Quite often [government] will* not *put its resources into groups that are well organised and perhaps could make good use of them for a range of internal policy reasons, for instance, the fact that the group might be managing quite well in comparison with others. The corollary is that government has to address locales of glaring need that its personnel may be well aware are socially dysfunctional.*

Whilst these factors preclude the operation of a normal market, an important relationship between demand and supply is nonetheless at play, one however that is currently strongly dominated by supply. In allocation of health expenditure, Mooney and Houston (2004, 30) described the status quo of 'allocating more resources to bigger problems' without taking attention to 'capacity to benefit' They cited the example of the mismatch between the range of functions that health departments are able to provide, and community perceptions of health and wellbeing (including trust, reciprocity and culture). Similarly, in his work for the Federal Race Discrimination Commissioner (FRDC1994, 119), Walker argued that service provider and consumers concentrate on supply side inputs (e.g., similar standards, levels of access), and then claim denial of rights if these inputs are not equal, rather than focusing on the difference in demand side outcomes (e.g., improved health, institutional capacity). Walker used the example of high technology water supply systems constructed in a remote desert location, which were beyond the technical capability and economic resources of users to operate and maintain. He posed the question whether the desirable outcome for such an improved water supply system should be to meet international water quality standards (supply side), or whether it should be to facilitate people's sustainable return to their country in keeping with their financial and technical capacity to operate and maintain the technology (demand side).

Demand is clearly mitigated by access, especially in remote locations. The Community Housing and Infrastructure Needs Survey (ABS 2000) recorded the problems of access to services on outstations and remote settlements, especially with health, education, and essential services. Problems of access, however, are not only due to remoteness and a lack of availability. A major review by the Commonwealth Grants Commission (e.g., CGC 2001, 70, 134, 197) underscored the difficulty that Indigenous people have in accessing mainstream services, even in urban areas. Whilst the study found that many of these mainstream services were 'demand-driven' for the mainstream public (e.g. Medicare and employment benefits are universally available on application), the administrative methods used did not facilitate access for Indigenous consumers. Similarly, the Department of Communication Information Technology and the Arts (DCITA 2002), concluded that, despite the availability of generous subsidies to remote settlements under the Universal Services Obligation: 'guaranteeing supply, without addressing the significant demand-side barriers, will not bring about higher take-up and effective use of telecommunications services.'

Demand is also strongly mitigated by the mobility of consumers within the system. In addition to kinship and social relationships, a significant driver of mobility is to access services, especially between outstations and larger settlements (Memmott et al. 2006, 93–108; Taylor 2002, 9). This results in service catchment around regional centres, with a 'service population' as opposed to the

'resident population'. Travel to services is not only a function of distance, with evidence of people travelling substantial distances to overcome cultural barriers, in order to access health services delivered in a more appropriate manner than those available locally (Ivers et al. 1997). Attempts to establish mobile service to outstations, mainly for social security payments and shopping, have generally failed, because of the mobility of outstation residents, and because people otherwise enjoy a weekly trip to town for a variety of purposes (Young 1990, 194). Most movements are short term, with people reluctant to spend extended periods away from their home and family for training, schooling and hospitalisation.

A function of the system is that Aboriginal leaders make claims and assert political autonomy through a rights-based agenda in a context of economic dependence, in the competition over limited resources, what Gerritsen (1982) described as the 'politics of scarcity'. Without negating this political process, demand-responsive approaches need not equate to 'wish listing', nor to service providers reacting uncompromisingly to claims and political pressure. Service providers have a necessary role to oversee the equitable allocation of resources among consumers, not all of whom are able to assert effective political representation, just as consumers have a necessary role to ensure that the system does not become too supply orientated. In the Australian context of Indigenous Affairs, it is necessary to seek a clearer and less politicised definition of demand.

Deverill et al (2002, 7–11) identified three competing perceptions of demand: (a) a technical design parameter, as commonly held by engineers, (b) a willingness to pay, as commonly held by economists, and (c) an expression of human rights, as commonly held by political advocates. Through the use of 'citizen juries' to guide mainstream health services, Mooney and Blackwell (2004, 76) agued that demand may also be informed by communitarian values, whereby people are encouraged to consider choices as citizens, in the public good, rather than as consumers, in private interest alone. In a review of the international development practice, Wedgwood (2005) defined 'demand' as, 'an informed expression of desire for a particular service, measured by the contribution people are willing and able to make to receive this service' [original emphasis]. The definition incorporated willingness to participate with time and effort as a valid 'contribution', and so was not limited to 'user-pays'.

Contingent valuation analysis (CVA) and discrete choice conjoint analysis (DCCA) have emerged as methods to facilitate informed consumer choices in the absence of market-based valuations (Chambers 1994a, 1994b; Whittington 1998; Jan et al. 2000). What is unique about these methodologies is that they not only determine 'needs' of the population, but also the trade-offs or sacrifices that consumers are prepared to make to achieve them, in terms of the loss of other alternative services. They require consideration of prevailing resource constraints, whereby if an individual identifies a need, they are also required to choose from where resources are to be taken to meet the need. In this respect, respondents to these methodologies are posed with the same types of rationing choices that are typically faced by service providers.

Drawing on these different sources, the following definition of demand is given: an informed expression of need for a particular service in a context of limited resources, in consideration of the tradeoffs that consumers are prepared to make to receive the service, and where opportunity costs are weighed against benefits.

Informed demand is consistent with the operation of economic markets, whereby consumers need sufficient information about what the market offers in order to make informed choices. It is also consistent with participatory practice in international development, where the greater the complexity of the system, the greater the need for people to have access to knowledge (DFID 1999–2001, s2.3.1). At a conceptual level, it has similarities with the new arrangements for Indigenous Affairs, which seeks 'partnerships with indigenous communities and organisations based on shared responsibilities and mutual obligations' (COAG 2004).

A shift in the balance towards demand has the potential to improve the services system, which leads to the first two of five proposed research questions: (1) what are the perceptions, definitions and indicators of the interface between the demand and supply sides of services, which satisfy both consumers' needs for access, and service providers' needs for outcomes?; and (2) what are the service type and delivery style priorities of consumers within a restricted budget framework, and what is their capacity to benefit from, and willingness to contribute to services?

Sociopolitical geographies of practice

At the interface between demand and supply, on-the-ground in desert settlements, consumers and service providers interact face-to-face, as they access and deliver services Understanding their administrative practice should reveal important insights to improve the system, for as noted by Ortner (1984, 147), 'the most important forms of action and interaction for analytical purposes are those which take place in asymmetrical or dominated relations, that it is these forms of action or interaction that best explain the shape of any given system at any given time.'

Consistent with recent shifts in anthropological thinking, from autonomous domains to intercultural production (Hinkson and Smith 2005), the interactions between consumers and service providers occur on an intercultural field. In her review of the literature, Holcombe (2004, 2) concluded that 'delineating culturally distinct structures is no longer relevant', describing instead a shared hybridised 'third space', as opposed to an interface between separately conceived domains (Holcombe 2005, 222, 226). Consumers and service providers are not culturally isolated, but are rather intertwined in a complex and dialectic relationship with the wider society on an intercultural field, on which the complex transactions of service delivery and consumption are conducted. The tensions in practice between the demand and supply for services on the intercultural field are poorly understood, as revealed by the mixed interpretations and complex transactions involved. On the demand side, consumers have different perspectives on the meaning of 'services', and on the multiplicity of uses to which services can be put. On the supply side, service providers struggle to reconcile a multiplicity of competing perspectives on entitlements and entailments.

Identification of this 'third space' must not, however, distract from the complexity operating in the two different domains, where the actors on the intercultural field come from. As Martin (2003, 5) clarified 'while the notion of an intercultural social field implies, correctly, that both indigenous and non-indigenous people are operating within a (more or less) shared domain, they may be doing so from distinctive positions.'

In approaching the intercultural field from the side of the Indigenous domain, there is a complex sociopolitical geography to understanding demand in Indigenous settings, which cautions against simplistic or ethnocentric notions of autonomous consumers operating in a market economy. There is a wealth of anthropological literature which describes social interactions within the Aboriginal domain, including the acquisition and exchange of resources. Peterson (1993) argued that 'demand sharing' underlaid social interaction in traditional Aboriginal societies. As expanded by Martin (1995, 9), when asserting a demand:

> *... an individual is asserting their personal right (as a son, an aunt, a clansman and so forth) to a response from others, but is also acknowledging, and thus through their actions substantiating, their relationship with the other person ... goods are thus 'decommodified', that is, incorporated into the Indigenous domain in which their values were not determined primarily as commodities within the market system, but in their capacity to sustain and inform social relations.*

Without negating the cultural interactions that take place within the Indigenous domain, much of this anthropological literature is situated within an administrative vacuum. There is little rationalisation of the capacity of Aboriginal decision-making against the tasks and functions of governance, other than to emphasise the width of the divide. There is a propensity to describe the many obstacles to participation and representation in dealing with government, including factionalism, rivalry, nepotism, and deleterious family politics, but with little consideration of the burgeoning quantity of administration to be addressed. Anthropologists have only recently focused their attention on the interactions on the intercultural field on which consumers and service providers interact, largely under the emerging rubric of 'governance' (e.g., Smith 2005; Sullivan 2006). Martin (2003, 9–10) was one of the first to signal this change, arguing:

> *... it is no longer defensible to resort to the mantra of 'cultural appropriateness', nor to that of Aboriginal traditions and customs, in determining the core principles by which effective Indigenous organisations should be established and operated ... the challenge is to develop distinctly Indigenous organisations which nonetheless facilitate effective management with the dominant society rather than limiting it.*

Political scientists have been active in this enquiry for much longer. Fifteen years ago, in his study of Ngukurr, Bern (1989, 175) described a complex of balancing and competing interests situated within a wider governance environment, that largely determined the 'objects of competition' between groups, but without 'paralysing the varying interests'. Rather than attesting to the ungovernability of Indigenous settlements, Rowse (2001, 126) argued that 'factional rivalry and family autocracy was endemic to an autonomous Aboriginal political process, part of a tradition to be respected.' Similarly at Kowanyama on Cape York, 'a fledgling system of representation operated at the local level, complete with a flawed but functional political pluralism, including informal checks and balances' (Moran 2006, 407). These studies suggest that Aboriginal traditions are not entirely inconsistent with the pluralism, individualism, democratic and materialist ideologies of the dominant nation state, and that Aboriginal people are both engaged by these forces, and adaptive to change. This suggests a duality in capacity in both domains, and the intercultural spaces in between. As argued by Noel Pearson (2005), such biculturalism should not be seen as a loss in culture, but rather as a predicator of cultural survival.

Despite the dominance of supply, the intended recipients are not passive beneficiaries, and act strategically to secure resources and to manipulate the system. As noted by Gerritsen (1982, 16), there are 'important areas of autonomy and initiative at the community level, and even some elements of control' over service providers. Folds (2001) gave an elaborate account of how people can subvert development interventions to their own culturally determined means. Even ambivalent disengagement can at times empower consumers, through what Holcombe (2005) described as 'management of the state'. But as Sullivan (2006, 25) is right to clarify, this is only one side of the story.

> *At the same time as wishing to subvert, transform, appropriate and reinterpret non-indigenous interventions for development in their community, the people also wish for incompatible outcomes. They do want their children to be educated in non-indigenous skills such as English; they do want good health for themselves and their families; they do not complacently accept family violence and rampant substance abuse; they would prefer that their equipment functioned better for longer. In short, they require two incompatible versions of the good life.*

In approaching the intercultural field from the non-Indigenous domain, there is an equally complex sociopolitical geography to understanding the supply of services and the actions of service providers. The vertical scale over which the service system operates is extensive. The process of service delivery begins in the formation of policy decisions over budgetary allocations at a national and state level; then it travels through multiple permutations of meetings and memorandum, before it finally reaches consumers in Indigenous settlements.

Services are multi-scale in nature, and interact differently at individual, outstation, household, discrete settlement, regional, state and federal scales. Since services carry inputs, resources and goods from government and other providers, they reveal important insights into the links, interactions, transmissions and networks across the system. Organisational and complexity theory can help to achieve some understanding of this system, but significantly, there is also a need to understand the social meanings and motives of service providers as actors in the system. All organisations produce informal processes embedded within their formal structures, which become internalised and normalised by staff as self-evidently correct procedures. These can play a significant role in achieving the outcomes that an organisation desires: e.g., when attention to the procedures of accountability takes precedence over implementing the activity to be accounted for. As noted by Sullivan (2005, 16), understanding such dynamics requires attention to the flows of information and contrasting interpretations and reformulations among staff of various levels as policy is developed and implemented.

> *A common means of dealing with multiple pressures is to re-interpret the goal such that it seems to meet all requirements. So a clear intention at one level of the organisation is implemented at an unforeseen level in another. Often the least powerful voice in such an interaction is the client, leaving the service personnel able to sign off on an achievement, variously interpreted at all levels, while the client is no better off.*

The forces driving supply from the service system are narrowly conceptualised to be government, but there are other powerful forces at play. Regional Indigenous organisations are increasingly becoming service providers, potentially signalling a reduction in resources for outlying local Indigenous organisations. Other more amorphous institutions are also at play, including the legal system, the global economy, public attention to media, labour unions and professional associations. Persuasive forces can came in ambiguous altruistic forms, including introduced ideologies such as Christianity, followed by such modern ideologies as environmentalism and community development. Attempts to replicate 'best practice' or models across what are often quite distinct local situations, can take the form of imposed solution and administrative control. The external conceptualisations of social problems drive government policy and programs, which are often quite inconsistent with local understandings (Mauss and Jenness 2000, 2761). Other forces arrive in the form of national standards and rights relating to welfare, health, equity and quality of life. Whilst many of these forces do not directly impact the nexus between demand and supply for services, they are powerful secondary forces that shape the behaviour of service providers.

On the intercultural field, actors on the supply and demand sides of services bring the different and competing priorities of their respective domains to the fore. They lock into dialectic relationships, and fend with multiple indeterminacies. International experience suggests that demand for a service is mitigated by the availability and quality of supply, and largely determined by the confidence that consumers have in a service provider (World Bank 1996, 249). Merlan (1998, 149–151) described a mimetic relationship, whereby anthropological representations came to reflect what Aborigines considered themselves to be: e.g., the traditional renaissance that occurred in more acculturated settlement populations, with the opportunities presented by Native Title. Peterson (2000) described an increase in mobility and expending Aboriginal domain in Central Australia with the availability of motorised transportation. Holcombe (2004, 13) described how 'with sedentarism, a greater localisation developed than was previously possible', leading to the emergence of community leaders and competition for resources. Such dialectic relationships are indicative of the intercultural production underway, and profound effects of the differences between Aboriginal and non-Aboriginal culture and social organisation (Rowse 1992, 58). Opportunities for innovation which arise in such indeterminate situations arise from productive social relationships between Aboriginal people and trusted outsiders. The complexity of problems faced is such that they are only revealed in practice, by proceeding incrementally, one step at a time (Moran 2006, 412).

In the delivery and use of services, consumers and service providers engage in active social processes and meaning. Values and ways of acting are shaped and given legitimacy through discourse and language. Productive practices are constructed in social contexts through interaction. This recognition forces attention to practice, to people trying to do things. This is consistent with Healey's (1998, 1543) reading of management theory in urban planning: 'the active agency as conceived in these new ideas is not the utility maximising individual of neoclassical economics, but a social being, constructing and reconstructing identity and preferences in different social situations.' This cautions against simplistic translation of demand responsiveness from economic theory, and requires due attention to the social interactions between actors in practice, which leads to the third research question: (3) what are the conditions that permit productive interpersonal relationships and successful practice to develop between consumers and service providers?

Towards an improved service system

If administrative practice is to improve, then interventions to improve the system must somehow reduce, rather than exacerbate, the complexities involved. Much attention has been given to how to build the capacity of Aboriginal people, through training, mentoring and institutional capacity. Improvements to administrative practice, however, also require equal attention to the quantity of administration to be processed. Ironically, one of the greatest obstacles limiting the local capacity of leaders is the quantity of administration involved in managing their 'self-determination'. An accepted role of leaders and employees is to manipulate the system to create the institutional space to permit the subjects of self-determination to make their own representations. A decrease in the administrative workload would narrow the capacity gap, and should act as a catalyst to increase participation and improve administrative practice.

In order to reduce the administrative workload, the complexity of the service system could be rationalised against the many different types of functions involved, against the scale and capacity over which they are delivered, and against the respective demands of different users and practitioners in the system. The analysis would try to illuminate the fundamental tension between the scale of organisation which is desirable for the supply of services effectively and efficiently (in terms of economies of scale and critical mass of skills) and the scale of organisation which is desirable for ensuring access to services (in terms of relationships and face-to-face transactions). Such an analysis may suggest the need for a redistribution of service functions across the different levels of the system.

Since Aboriginal settlements are not homogenous communities, different types of decisions are of interest to different people. In one analysis of local decision making, 'form followed function, whereby the function of a decision-making forum decided the level of participation that was appropriate' (Moran 2006, 247). For some functions, consumers demand full powers though locally controlled organisations, with the requisite devolution of authority and resources. For other functions, consumers have little interest in decision-making, and just demand reliable availability and use. In keeping with an analysis informed by demand, it may be found that some functions should never have been devolved to the local level, and would be better undertaken by regional organisations, or mainstreamed within governments. At the same time, it may be found that some functions have never been properly devolved, in a way that affords genuine discretionary powers. The dynamics to emerge may require innovative governance solutions that permit competing functions and purposes to be met at different scales.

The principle of subsidiarity has potential application here. It holds that decisions about how resources (local and external) should be used are best made at the level of government that most closely represents the beneficiaries of those decisions. As noted by Sullivan (2006, 25), the principal of subsidiarity allows for 'relative autonomy within wider governance systems, and differs from the concept of devolution in that it recognises rights inherently lying at the local level, rather than conceded from above'.

Technology has the potential to improve the service system, partly because of its ability to overcome the problems of remoteness, and to transcend cultural barriers. Given the practical limits to providing services to small settlements, transportation to large settlements is a critical constraint

to accessing services (Memmott et al. 2006). Information and communication technologies have the potential to permit increased decentralisation of services, through what has become known as 'e-service delivery' (Eyers and Turk 2005; Abolhasan 2005). Computer programs and databases can assist to streamline governance systems, as well as integrated models for essential services (Anda 2005). There is considerable scope to increase housing lifecycles, through improved management systems and tenant involvement (Seemann and Parnell 2006). Smart card technology has been successfully adopted at the interface with household power consumption, which might be usefully extended to other services. Despite the potential that technology holds, many previous initiatives to impose technological solutions in remote settings have failed because of insufficient consideration of demand or user involvement. Rather than positing technology-based solutions from the outset, it is necessary to follow a methodology which begins with an analysis of the interplay between demand and supply, which can then inform the selection of possible technology and governance options.

Improved governance arrangements have considerable potential to improve the system. Innovative decentralisation reforms are required which create the institutional space for local governance and political processes to operate, whilst satisfying supply-side requirements for accountability. In an interesting reversal of perspectives, structural mechanisms which promote consumer use of 'voice' (organisations, hearings, surveys, complaints) and 'exit' (withdrawal from public services) have been applied by foreign donors to the governments of developing countries, as means to improve accountability of public services (Paul 1992).

'Block' or 'pooled' funding (a.k.a 'social funds' in international development) could substantially alleviate the quantity of administrative work in comparison to the multi-departmental and multifarious reporting requirements which characterise the current administrative environment. The notion of block funding has been raised by a string of government enquiries from the early 1990s, beginning with the Royal Commission into Aboriginal Deaths in Custody (RCADIC 1991, 4: cl. 27.3). Block funding is a major disruption to the territoriality of government departments, still its opportunities are real and they should continue to be lauded. To the extent that governments deem necessary, block funding could be accompanied by a suite of 'upward' bureaucratic accountability requirements. The net effect, however, can only be less than the current system of partitioning accountability across a multitude of different service providers.

Given the many failed attempts to resolve the complexity of the of the service system, it may be more pragmatic to seek improvements to its network properties. In comparison to horizontally connectivity at equal scales, vertical connectivity across different levels of the system is harder to achieve due to the longer distances involved and relative infrequency of interpersonal interactions. There are opportunities to improve vertical connectivity through regional governance and planning models, assuming that both work on a principle of aggregation of representation across different operating scales.

Other governance options which have the potential to improve the interface between demand and supply of services include home ownership, voucher systems, privatisation through micro-enterprises, public/private partnerships, cross-jurisdictional arrangements, business model

approaches, and integrated essential services models. In all of these cases, it will be necessary to first draw in the lessons from past experience, elucidating the reasons for success and failure. This is especially apparent in the current policy environment, where past practice has been discredited, and there is a risk of 'reinventing the past under new guise' (Sullivan 2005, 3).

Further research is required to explore the viability of these options, which leads us to last two proposed research questions: (4) what are the preferred functions at which scales for services to Indigenous settlements, that satisfy both demand and supply based criteria?; and (5) what are the strengths and weaknesses of different technologies and governance options for Indigenous settlements, and what are the critical issues and strategies that can provide leverage for change?

Conclusion

Whilst a significant relationship exists between demand and supply of services, the sociopolitical geographies involved preclude the simplistic application of an economic model. Further research is required to develop a theoretical framework to explain the interactions that occur in practice, between consumers and service providers on an intercultural field. The five research questions proposed in this paper set out the basis to find such a framework.

Coming from their respective domains, both consumers and service providers need more freedom of expression to inform their interactions on the intercultural field. In the absence of economic context and normalised 'rules of the game', innovative participatory methods are required to permit consumers to reach an expression of informed demand. From the supply side, innovative technological and governance solutions are required for service providers to rise above the constraints and territoriality of government, to reach an expression of what they can offer to service demand.

The path to an improved service system requires the integration of two different types of knowledge – *local* knowledge held by consumers and leaders; and *administrative* knowledge held by service-providers – situated in the demand and supply sides respectively. Previous attempts at reform have largely been based on administrative knowledge, from the supply side of service delivery, or in reaction to political pressure from Indigenous advocates. The concept of 'demand responsive services' provides an analytical basis to bring these two types of knowledge together.

Because local knowledge is uncodified, it is primarily manifest informally through speech, and mediated by interpersonal relationships. As noted by Friedman (1993, 484), 'it is in the face-to-face transactions between planners and the affected population that a basis of knowledge adequate to the problem can be found'. Friedman partitions innovative practice from idealistic and ultimately political notions of social development and democratic accountability, stating simply that innovation requires 'more detailed and specific knowledge to bear on a situation than would be possible if only expert knowledge was used'. The opposite would also apply, if only local knowledge was used. The nature of the problems at the interface between demand and supply of services in Indigenous settlements is such that neither group can fundamentally find solutions on their own.

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