

Palm Island Community Company (PICC) Background and History

Introduction

This paper is intended to document the history of the Palm Island Community Company (PICC) and to provide background for the Productivity Commission Inquiry into service delivery for remote Indigenous communities. It was prepared by PICC and draws on existing literature, including government and PICC documents as well as the recollections of key informants including directors and management.

Background

The establishment of PICC can be traced to the aftermath of a riot on Palm Island following the 2004 death in custody of Cameron Doomadgee. The media exposure surrounding the event and a Parliamentary Inquiry drew attention to the ensuing tensions between the community and the State, to the poor social and economic infrastructure on Palm Island and the high disadvantage experience by Palm Islanders. Between 2005 and 2007, the Department of Communities lead a process of research and consultation that culminated in the incorporation of PICC and the subsequent appointment of the inaugural Board in November 2007.

Policy Context

The establishment of PICC occurred in the context of major disruptions in national Indigenous policy that included the demise of ATSIC in 2004, the Northern Territory Emergency Response (The Intervention) in 2007, commitments under the Closing the Gap *Statement of Intent* in 2008, Kevin Rudd's *Apology to the Stolen Generation* in 2008 and national partnerships agreements on remote Indigenous service delivery and remote Indigenous housing. The period from 2007 to 2017 has continued volatility in Indigenous affairs with significant policy change, two changes of government in Queensland and one change in the national government and numerous changes in Ministers and departments responsible for Indigenous affairs and related programs.

Local context

Since 2007 there have been significant positive and negative changes affecting Palm Island that have impacted on the amenity and well-being of the community. The extent of these changes makes it difficult to isolate PICC's impact from these other factors that include:

- Introduction of Alcohol Management strategies;
- Significant investment in new and upgraded housing under the NPARIH;
- Transfer of housing management from PIASC to the State;
- Improved ferry transport to Townsville following improvements to the jetty;
- Upgrading and private operation of the licenced premises;
- Government investment in facilities including the motel, state government offices, sporting facilities;
- Demise of Coolgardie following cessation of CDEP; and
- Introduction of Community Development Program (Work-for-the-dole)

However, comparison with other like communities that experienced comparable systemic change and infrastructure investment but no similar changes in social service delivery may shed some light on PICC's impact on the Palm Island community that transcends these other changes.

The PICC Concept

The creation of PICC occurred at the same time as significant Qld government machinery of government changes – i.e. the separation of Child Safety and Communities with the aim of

improving service delivery through a more targeted focus on each area. The Director General and the Regional Executive Director developed the PICC model and drove the implementation through significant government, non-government and community opposition.

The development of the PICC model was complex and controversial. The aim was to establish an entity that could achieve:

- Good governance and a high level of accountability
- Sufficient scale to be cost effective and financially sustainability
- Direct delivery of high quality, effective social services
- Improved social and economic capacity within the Palm Island community.

While largely driven by the Queensland Government, significant efforts were made to work with, and attract support from the Palm Island Aboriginal Shire Council (PIASC) and community as well as the Commonwealth Government.

PICC History -Overview

Following the incorporation of the company and appointment of the inaugural board in November 2007, PICC's development has progressed through three distinct but overlapping phases:

1. **Establishment (2007-2009)** – from start up with no capital, staff, offices or systems in place, the focus in this phase was on board development, building relationships with the Palm Island community, Council and government stakeholders, strategic planning, recruiting the CEO and core staff, securing funding, establishing administrative infrastructure (office, policies, systems and communications etc.) and service delivery infrastructure (facilities, staff, policies, vehicles etc)
2. **Building social service delivery capacity (2010-2013)** – during this phase, PICC progressively attracted government funding to expand the range of social services to meet community needs, invested heavily in recruitment, staff training and professional development in order to develop a competent Palm Island workforce and established quality systems to meet industry and regulatory standards. Other priorities included developing an integrated service delivery model, building networks within the social services sector locally and at state and national levels and securing improved service delivery facilities.
3. **Social enterprises and financial diversification (2014-2017)** – during his phase, PICC sought to expand to meet community needs while reducing reliance on government funding. This involved expanding into social enterprise initiatives that included: partnering with Rotary to convert their Opportunity Shop into a viable retail outlet; establishing a primary health and GP medical service that attracts Medicare and other mainstream income opportunities; re-establishing a bakery and fast food outlet, fuel sales and mechanical workshop following the demise of Coolgaree Aboriginal Corporation; and becoming an NDIS registered service provider.

Services

Between November 2007 and June 2017, PICC progressively established a range of services including:

- Family hub and well-being support- early intervention and prevention child safety services
- Safe house – child protection
- Safe Haven child and youth services
- Diversion from custody
- Men's services
- Domestic violence shelter

- Women's services
- Child early education programs
- School breakfast program and tuckshop
- Primary health service
- Disability services
- Social enterprises, including bakery, fuel, mechanical workshop and community shop.

PICC activities that build community capacity and strengthen civic institutions include:

- Auspices the Justice Group and administers their funding
- Facilitates and supports the Elders Group
- Facilitates and supports the women's yarning circle
- Facilitates and supports the men's group
- Facilitates the Palm Island domestic violence inter-agency network
- Supports and participates in community events
- Provides ad-hoc advice, financial and practical support to various community, arts and sporting groups
- Provides a contact point and facilitates engagement with Palm Island community for external service providers, government agencies and NGOs.
- Provides a focal point for the community in times of disaster response and recovery
- Provides a community safety net in that all referrals are accepted and responded to either by way of inter or intra agency referral or direct services
- Provides services 24 hours per day, 7 days per week through on call arrangements, extended hours of service provision or 24 hour service provision.
- The CEO and Service Manager are contactable at all times in case of any emergency impacting on the community
- The intensive training program offered to PICC staff is also open to external agencies in the community to attend free of charge
- Provides a professional marketing and communication program including film, posters, flyers, media releases, You Tube and Facebook which aims to present and promote a positive and accurate image of the community
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- PICC has a national and international presence through participation in Peaks, conferences, networking – which can result in positive recognition for the Palm Island community

Further information can be obtained from the PICC Economic Impact Statement (2017) attached.

Staffing

Since inception, PICC has committed to maximizing local Indigenous employment and has consistently achieved high rates of Indigenous employment and retention. By March 2017, PICC employed 103 staff of whom 86.5% were indigenous and overwhelmingly Palm Islanders. PICC has an Indigenous CEO and the vast majority of service delivery staff (including a social worker, GP, nurse) and service coordinators/ middle managers are Palm Islanders.

Staffing as at 31 March 2017

	Actual People	FTE
Indigenous Staff	89	58
Non-Indigenous Staff	14	13.4
TOTAL	103	71.4

Finances

PICC commenced operation with a small core funding allocation from the Queensland government. This funding phased out over three years as PICC attracted program funding and established social services. PICC achieved significant annual increases in government funding until the 2012 financial year when an annual turnover of \$5 million was achieved. Subsequently government funding grew at a more modest rate, achieving almost \$6million by 2017. However, from 2013 other income rose steadily to almost \$2million in 2017, when it made up 25% of total annual turnover.

Years ending 30 June:	2008	2009	2010	2011	2012
	\$	\$	\$	\$	\$
Total Govt Funding:	105,024	1,625,304	3,431,458	3,703,331	4,997,291
Other Income:	0	0	32,963	44,219	39,751
TOTAL	105,024	1,625,304	3,464,421	3,747,550	5,037,042

Years ending 30 June:	2013	2014	2015	2016	TOTAL 2008-16
	\$	\$	\$	\$	\$
Total Govt Funding:	5,074,320	5,595,966	5,504,644	5,967,489	36,004,827
Other Income:	19,646	611,570	1,600,658	1,971,729	4,320,536
TOTAL	5,093,966	6,207,536	7,105,302	7,939,218	40,325,363

Governance

Various independent reviews and audits have confirmed that PICC has, since inception, maintained strong governance and this has been a crucial factor in its success. The governance is based on an expert board model that is increasingly adopted by Indigenous NGOs rather than the community representative model that has been dominant in Indigenous NGOs in the past. The approach adopted by the Board in applying the model recognises the importance of both local knowledge and expertise and external expertise through a mix of local Palm Islander directors who bring understanding of the community and cultural knowledge supplemented with external directors where specific expertise is required. As a result PICC achieves accountability and responsiveness to the local community and meets mainstream governance, financial and regulatory expectations of regulators and funders.

PICC was registered by the Australian Securities and Investments Commission (ASIC) as a not-for profit company limited by shares on 11 October 2007 and is governed by a Board in accordance with its constitution and Shareholders Agreement. PICC is also registered as a charity with the Australian Charities and Not-for profits Commission (ACNC). As Ordinary Shareholders, the Palm Island Aboriginal Shire Council (PIASC) and the Queensland Government, each nominate two directors and have reserve powers. This includes the power, under specified circumstances, to dismiss the PICC Board.

In addition to the 4 directors nominated by the Ordinary Shareholders, the PICC Board includes:

- a nominee of the Traditional Owners of Palm Island, the Manbarra people;
- an Independent Chairperson appointed by the Board; and
- up to 3 directors nominated by community shareholders (ref constitution and Shareholders Agreement).

This is a variation to the original model, initiated after a review of the Constitution and Shareholders Agreement in 2009, that provided for 2 Commonwealth Government-nominated directors. The Commonwealth declined to take up a shareholding in PICC and these positions were converted to 2 additional community nominated directors.

At incorporation, the PICC Board comprised six Directors who included: an independent Chair appointed jointly by the Ordinary Shareholders; two directors appointed by the Queensland Government; two directors appointed by PIASC; and one director nominated by the traditional owners, the Manbarra. Only the latter was Indigenous and was a Palm Islander.

By 2017, the Board comprises seven Directors, of whom a majority (4) are Aboriginal Palm Islanders. Of the seven, four directors were inaugural directors who have remained on the board since inception. In keeping with the Board's commitment to maximise community control, nine Palm Islanders have served in the PICC Board for various length terms and no new non-Indigenous directors have been appointed since the inaugural appointments.

Implementation Stage – Nov 2007- June 2009

As for any start-up, the priorities in the early years included establishing the basic infrastructure for governance, administration and service delivery.

Establishment funding and staffing

The Cabinet decision to establish PICC was underpinned by Treasury modelling that assumed government grant funding for social services as well as income from contracting services to other local NGOs and income from managing the State Store on Palm Island (this never eventuated). The modelling also identified the need for an operating subsidy in the establishment years.

Despite Treasury modelling and Cabinet approval for PICC to receive initial core funding for establishment, it took more than 6 months for funds to be released to the Company. During the interim six months, administrative and financial support to the Board was provided and funded by the Department of Communities. This period was utilised by the Board to engage with Palm Island and government stakeholders, develop an initial strategic plan and to recruit a General Manager.

Attracting funding for service delivery was protracted due to delays in government inviting applications and approving funding for Family Hub and Safe Haven services that were under interim management by external, non-Indigenous service providers. PICC negotiated with the Justice Group to auspice their government funding that was, at that time, administered by the Department Attorney General. Funding for other pre-existing services was allocated

to PICC following relinquishment of Diversionary program funding by the Men's Group and de-funding of Kootana Women's group by the Department Communities. PICC sought other funding during this period including for research about disability needs and subsequently funding for a disability service.

Service delivery

A key priority during establishment phase was to improve the quality of service delivery. This involved recruiting and investing heavily in recruiting, training and support for local service delivery staff, establishing service delivery policies and procedures and improving service delivery facilities. The latter was a significant challenge due to the limited and poor quality buildings available and competition for available facilities that were all controlled by the state government, shire council or PCYC.

Community engagement

Community engagement in the early years was extremely challenging. In large part this was due to an understandable lack of community trust in the state government in the aftermath of the death in custody, ensuing riot and police and government response.

The Dept Communities had undertaken extensive community engagement prior to the establishment of PICC and secured shire council support and agreement to be an ordinary shareholder. Nevertheless, there remained significant community opposition to the idea. This culminated in the council elections in March 2008 (only 4 months after incorporation of the PICC) where the newly elected Mayor had pursued an anti-PICC election campaign. Further community opposition ensued following the government de-funding of the local NGO that managed the women's refuge and subsequent allocation of the funding to PICC.

In accordance with its charter, PICC worked actively to engage local NGOs and offer support such as financial services. This had mixed success with the Justice Group pleased for PICC to auspice their funding and the Men's group requesting PICC to take over management of the Diversionary services. In contrast, the women's group refusing numerous offers to assist with financial management and governance in spite of government concerns and imminent de-funding action. Similarly, PICC offered support to the local rugby league body, with financial assistance accepted but offers of financial and governance support not taken up.

Review of implementation

Dr Michael Limerick was engaged by the Dept. Communities to undertake 2 implementation reviews of PICC in 2010 and 2011. He concluded that strong governance was a core strength of PICC and that PICC's service delivery and local employment outcomes were significant. His first review identified the significant achievements and challenges PICC faced during establishment. His second review report identified PICC's progress in overcoming challenges, achieving significant expansion and improved quality in service delivery. Dr Limerick concluded that overall PICC provided greater benefits than the available alternative service delivery models. He also found that PICC's capacity building and economic development achievements were stymied by lack of funding for these functions.

Achieving scale and viability – 2010-2013

By 2010, PICC was well established as a service provider on Palm Island and was establishing the workforce, policies and management systems necessary to deliver high quality social services (Limerick 2011). This was acknowledged by the state government in its 2011 report on remote Indigenous communities.

Palm Island Community Company delivered an increased range of human services to the Palm Island community including family support, disability respite, diversionary services, women's services and an alcohol demand reduction program. During this financial year, PICC employed 65 permanent and casual employees on Palm Island, which was equivalent to 43 full-time positions. Over 90 per cent of PICC's staff are Indigenous persons.(Qld Govt 2011:147)

Service delivery

Over the following four years PICC expanded to add a child protection *Safe House*, Child and Family Centre to its suite of services. The provision of purpose built facilities for each of these services was important in alleviating some of PICC's accommodation problems and supporting high quality service responses.

The most significant development during this phase was the establishment of a comprehensive suite of early childhood services including play groups, parenting programs, transition to prep and maternal and child health services. Core funding and facilities for early childhood programs was provided by the Department Education under the Child and Family Centre (CFC) program. The flexibility and five-year funding under this program has been crucial in enabling PICC to attract complementary funding to provide a holistic approach to early childhood services. It has also enabled PICC to develop a primary health service with a comprehensive range of medical and allied health services. Importantly this has enabled partnerships with philanthropics, university medical faculties, private practitioners and NGOs that bring resources, services and expertise to Palm Island.

This period saw further improvement in PICC's quality systems evidenced becoming the first Indigenous NGO to attain child safety accreditation for the *Safe House*. Subsequently, the primary health services associated with the Child and Family Centre attained medical service accreditation under AGPOL. Continued attention to local staff recruitment, training and development, regular service reviews and development of an integrated service delivery framework all contributed to service delivery improvements during this time.

Finances

In the 2012 financial year PICC achieved an annual turnover of \$5million, a scale that had been identified by Dr Limerick as necessary to support PICC's governance, management and program support infrastructure. The recruitment, in 2011, of a highly qualified Business Support Manager with experience in Indigenous NGO grant and financial management resulted in major improvements in budgeting, financial and grant management. These factors (increased scale and improved financial management) contributed to PICC's improved financial stability and viability as evidenced by modest operational surpluses and accumulation of sufficient working capital to ensure ongoing solvency.

Social enterprises and financial diversification (2014-2017)

The solid foundation established in the preceding years allowed PICC to diversify into social enterprises from 2014. The objectives of this diversification included meeting community needs, supporting employment and economic development as well as reducing reliance of government grants.

Social Enterprises

The prior successful in establishing a Medicare bulk billing family medical practice and community shop and accumulation of some working capital enabled PICC to consider moving into other social enterprises. The demise and liquidation of the Coolgaree Aboriginal Corporation in 2014 resulted in closure of their social enterprises including a bakery/food

retail outlet, fuel sales and mechanical services. In order to maintain the services, equipment and facilities on Palm Island, PICC negotiated purchase the equipment from the liquidators, lease of the facilities from the shire council and re-opened the businesses. The capital, negotiations, local knowledge and expertise needed for this venture would have made it near impossible for any person or organisation other than PICC to achieve this outcome.

In spite of the resources and expertise, PICC has attracted to support the social enterprises, it has taken time for them to become self-sustainable due to the difficult operating environment on Palm Island. This environment includes high costs due to distance, freight costs, lack of purchasing power, fluctuating demand, poor facilities and workforce capability issues.

In 2016, PICC also registered as an NDIS service provider, effectively establishing another social enterprise because NDIS is a fee for service funding model. This was a challenging enterprise as Palm Island was a trial site for remote Indigenous service delivery. The teething issues for the NDIS, lack of seeding funding, and the transition for PICC from grant funding to fee for service and the need to ramp up service delivery infrastructure and workforce capability to meet increasing demand means this has also been a challenging experience.

Summary

PICC was a bold experiment in remote Indigenous community service delivery. The organisation has demonstrated that good governance, effective management, strong local engagement, local employment can deliver improved service delivery and positive community outcomes. This is especially the case when the service delivery organisation is locally based, works only in the interests of the Palm Island community and has a clear vision for making a long-term difference, building capacity and local empowerment.

PICC's success did not come easily or quickly. It has taken time, significant resources and expertise to overcome initial local community and bureaucratic mistrust, to develop and maintain local and external stakeholder confidence, build organisational capacity and a capable workforce.

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