

**Inquiry into Australian Government Funding: Audit Report No. 50 (2017-18)
Primary Healthcare Grants under the Indigenous Australians' Health Programme**

Joint Committee of Public Accounts and Audit

Opening Statement

Mr Nick Hartland
Acting Deputy Secretary
Department of Health

Thank you for the offer to provide opening remarks. I would like to take this opportunity to provide the Committee with a summary of the Department's response to the audit's findings and recommendations. The Department has accepted all three recommendations and is committed to addressing and implementing actions associated with these.

Firstly, the Department had identified the need to further evolve and embed the use of available data to inform policy design and program administration, and to ensure that we continue to progress evidence based policies supported by robust data.

For several years the Department has been on a data improvement journey which has seen real and measureable improvements made to the collection and use of Indigenous health performance data.

Integral to this process has been the need to continually consult with our service providers to enhance data collection and improve both service providers' and the Department's analytical capabilities. The improved data will also be an integral part of a new funding model used to distribute primary healthcare funding under the Indigenous Australians' Health Programme and improve our capability to address service gaps.

The new funding model will be implemented from 1 July 2019 and the Department will continue to work closely with Aboriginal Community Controlled Health Services to deliver this important initiative.

The Department acknowledges that the Funding Model will be implemented later than originally planned, but notes that this deferral occurred in the context of extensive stakeholder engagement, together with our data improvement activities.

Alongside this, the Department also takes a continuous quality improvement approach to its grant assessment and management processes. The ANAO's findings that some historical processes could have used stronger and more formalised assessment practices was in keeping with the Department's own internal assessments and are reflected in the improved frameworks since put in place. The Department continues to implement whole-of-government grant processes and embed best practice principles as part of this approach.

I am pleased that the ANAO acknowledged the Department's work to consolidate Indigenous health funding into one effective and consistent program to support the achievement of better health outcomes for Aboriginal and Torres Strait Islander peoples.

I welcome any further questions the Committee may have on these matters.