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The Parliament of the Commonwealth of Australia

# Report 437

## **Review of Auditor-General's Reports Nos. 2 to 10 (2012–13)**

Joint Committee of Public Accounts and Audit

May 2013  
Canberra

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## Foreword

These are important days for Australia as we try to reconcile many issues for Aboriginal and Torres Strait Islanders, and how Australian public policy does, or does not, deliver. Want for better is strong and effort is commendable. And despite more success stories in recent times in service delivery and community empowerment, the frustrations of failure remain unacceptably high.

It is this want for reconciliation and want for better service delivery that have driven both the Auditor-General and the Joint Committee of Public Accounts and Audit to focus on a range of programs to test progress.

This is also done in full expectation of the upcoming referendum for Aboriginal and Torres Strait Islander recognition in the Australian Constitution within the next two years. This exciting moment of celebration must not be missed for any reason, including any perception of wasted taxpayers dollars or poor service delivery.

The timing of this audit review is therefore critical.

On reviewing the nine reports presented to the Parliament by the Auditor-General between August and November 2012, the Committee concentrated its detailed scrutiny on Audit Report No.8 (2012-13) *Australian Government Coordination Arrangements for Indigenous Programs*. Linking in with this report, the Committee decided to extend the scope of its inquiry to include two other audit reports recently tabled by the Auditor-General: Report No.43 (2011-12) on the *National Partnership Agreement on Remote Service Delivery* and Report No.26 (2011-12) on *Capacity Development for Indigenous Service Delivery*. The findings of the Committee's examination are detailed in this report.

The Committee chose to focus its inquiry on the topic of government service delivery for Aboriginal and Torres Strait Islander Australians for several reasons.

Firstly, as a committee responsible for oversight of public expenditure, it is our responsibility to verify that the Federal Government's approximately \$11 billion of

annual spending on Aboriginal and Torres Strait Islander people is as efficient and effective as possible.

Secondly, empowering Aboriginal and Torres Strait Islander communities is a major policy priority, and one that public policy is trying to find the best way to help deliver. Most would recognise this attempt to reach partnership has its successes and failures, and still needs more thinking and work.

Finally, reducing any social disadvantage is complex and cannot be solved overnight. One of the key challenges is ensuring that governments at all levels, as well as not-for-profit and private sector organisations, are working together towards common goals. The focus of the three audits on coordination between Federal Government agencies, cooperation with state and territory governments, and managing relationships with third sector organisations gets to the heart of what needs to be done to improve the availability and accessibility of services for Aboriginal and Torres Strait Islander people.

Due to the complexity and long-standing nature of the issues, the Committee decided to broaden the sources of evidence it received beyond its usual practice for reviews of audit reports. In addition to public hearings with the Auditor-General and the audited agencies, the Committee sought and received written submissions from the National Congress of Australia's First Peoples and the Social Justice Commissioner for Aboriginal and Torres Strait Islander Affairs. The Committee also held public hearings with the Coordinator General for Remote Indigenous Services and the COAG Reform Council.

A key message arising from the Committee's review of all three audit reports was the need for stronger, clearer and more effective leadership across government. This requires a lead agency with authority and a clear mandate to oversee expenditure, monitor outcomes, define priorities and drive actions at whole-of-government level.

FaHCSIA has made commendable progress recently in improving coordination between government agencies. However, the Committee was not convinced the current arrangements provide it with the authority needed to drive outcomes across government as effectively as possible. With this in mind, the Committee has recommended the Prime Minister commission a review of leadership and collaboration arrangements for Aboriginal and Torres Strait Islander affairs, with a goal of strengthening the authority of the lead agency to drive initiatives across departments.

The Committee has also recommended:

- the development of an explicit whole-of-government strategy for capacity development;
- improvements to the availability of location-based data on Aboriginal and Torres Strait Islander expenditure and outcomes;



- an update on efforts to measure outcomes in 'priority' remote service delivery communities; and
- options for improvements to Aboriginal and Torres Strait Islander representation in decision-making processes.

Of course, what matters most is results. As a nation, we are progressing on a long road of correcting open wounds of the past, and finding ways to walk together in the future. For all of us, an Australian culture celebrating 40 000 years has so much more strength than one confined to 200-odd years. Finding ways to achieve this under, within or around existing Crown law is our great challenge.


I am pleased to hear that there have been signs of real progress being made in some areas in recent years. Sustained efforts to improve leadership and coordination in Aboriginal and Torres Strait Islander service delivery will be central to this progress being built upon into the future.

I sincerely thank all those who participated in what was an informative and constructive inquiry. I also particularly thank the Auditor-General for his ongoing focus on this area.

Robert Oakeshott MP

Chair





## Membership of the Committee

Chair Mr Robert Oakeshott MP

Deputy Chair Ms Yvette D'Ath MP (until 06/02/13)  
Ms Gai Brodtmann MP (from 13/02/13)

Members	Hon Dick Adams MP	Senator Mark Bishop
	Mr Jamie Briggs MP	Senator Louise Pratt
	Ms Gai Brodtmann MP	Senator Anne Ruston
	Mr Darren Cheeseman MP	Senator Dean Smith
	Mr Josh Frydenberg MP	Senator Matt Thistlethwaite
	Mr Harry Jenkins MP (from 22/04/13)	
	Mr Shane Neumann MP (from 06/02/13 until 22/04/13)	
	Ms Deborah O'Neill MP	
	Ms Laura Smyth MP	
	Hon Alex Somlyay MP	

## Committee Secretariat

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Inquiry Secretaries	Mr James Nelson
	Ms Vikki Darrough
Administrative Officers	Ms Jazmine Rakic
	Ms Louise Goss (until 27/03/13)



## List of abbreviations

AGIE	Australian Government Indigenous Expenditure
ANAO	Australian National Audit Office
COAG	Council of Australian Governments
DoHA	Department of Health and Ageing
DEEWR	Department of Education, Employment and Workplace Relations
FaHCSIA	Department of Family, Housing, Community Services and Indigenous Affairs
JCPAA	Joint Committee of Public Accounts and Audit
NACCHO	National Aboriginal Community Controlled Health Organisation
NIRA	National Indigenous Reform Agreement
NPARSD	National Partnership Agreement on Remote Service Delivery
OATSIH	Office for Aboriginal and Torres Strait Islander Affairs





# List of recommendations

1

## Introduction

2

## Australian Government coordination arrangements for Indigenous programs

### Recommendation 1

The Committee recommends that the Government examine options and take action to improve Indigenous representation and involvement in decision-making processes in relation to Indigenous service delivery, including the possibilities of a high-level agreement between the National Congress of Australia's First Peoples and Executive Government and for the Congress to be consulted during Council of Australian Government processes on Indigenous issues.

### Recommendation 2

The Committee recommends that the Prime Minister request the Department of the Prime Minister and Cabinet to undertake a review of leadership and collaboration arrangements in Indigenous affairs for Cabinet consideration; and that the review investigates options for strengthening the authority of the lead agency to better drive changes across departments.

### Recommendation 3

The Committee recommends that the Department of Families, Housing, Community Services and Indigenous Affairs examine methods and lead efforts to improve the availability of location-based data on Indigenous

expenditure and outcomes, including through spatial mapping, in order to inform the public and the policy-making process.

### 3

## National Partnership Agreement on Remote Service Delivery

### Recommendation 4

The Committee recommends that the Department of Families, Housing, Community Services and Indigenous Affairs provide an update within six months on its progress towards implementing the Auditor-General's recommendation that it further develop its performance measurement approach to assess whether services have improved in the priority communities, and the results of this assessment to date. The update should include any decisions or other progress that has been made in regard to the future of the remote service delivery model, including any proposals to expand the model into other communities or into urban or regional areas.

### 4

## Capacity development for Indigenous service delivery

### Recommendation 5

The Committee recommends that FaHCSIA lead the development of an explicit whole-of-government strategy for capacity development in order to provide guidance across departments on the Government's role in supporting capacity development in Indigenous organisations. The strategy should take into account both internal and external influences on the capacity of organisations, and also provide guidance on building the capacity of government agencies working with Indigenous organisations.

## Appendix A – Submissions

## Appendix B – Public Hearings



