

**ANAO OPENING STATEMENT TO JCPAA INQUIRY: ANAO REPORT
No.10, 2007–08 WHOLE OF GOVERNMENT INDIGENOUS SERVICE
DELIVERY ARRANGEMENTS
MATT CAHILL, GROUP EXECUTIVE DIRECTOR, PERFORMANCE AUDIT
SERVICES GROUP.**

Thank you Chair. By way of background, the report, tabled in October 2007, examined the Indigenous Affairs Arrangements (IAAs), which were put in place in 2004 by the then Australian Government. Specifically, this involved the transfer of ATSIC/ATSI administrative responsibilities and funding to 'mainstream' Australian Government departments for the delivery of services to Indigenous Australians.

The five principles, stated by the then Government, that underpinned the Indigenous Affairs Arrangements were collaboration, regional and local need, flexibility, accountability and leadership. As you may appreciate Chair, these principles were used to guide the audit criteria and as a consequence also had a strong influence on our conclusions and recommendations.

The scope of the audit encompassed how four key Australian Government departments: Education, Science and training (DEST); Employment and Workplace Relations (DEWR); Families, Community Services and Indigenous Affairs (FaCSIA); and Health and Ageing (DoHA) implemented the Government's policy objective for Indigenous service delivery as set out in the 2004 IAAs. In particular:

- that an accountability framework for Australian Government agencies had been established that enabled them to report against:
 - Government policy objectives,
 - their outcomes and outputs statements,
 - their performance, and
 - whether funds have been reallocated to meet identified need;
- that there was effective collaboration, including joint planning processes that supported the Whole of Government approach to Indigenous service delivery, and

- that programs were design, as reflected in policies and procedures, to ensure that both Indigenous specific services and mainstream programs responded to the identified needs of Indigenous clients.

Chair, we concluded that while implementation of the Government's policy objective was progressing, it was apparent that there were opportunities to streamline the administrative arrangements supporting the delivery of services to Indigenous communities and regions. This was especially in the area of establishing collaborative efforts to support effective service delivery, including the development of joint funding agreements; and ensuring that programs responded flexibly to Indigenous need.

We were also of the view that a stronger collective focus by departments on performance against the priorities established by the Government was required to assess the progress being made, and to inform decisions relating to the effectiveness of on-going administrative arrangements. Departments individually identified their activities in Indigenous affairs in their accountability documentation. However, there was little in the way of performance information at the aggregate level to assess and inform progress against the three priority areas for action in whole of government Indigenous service delivery that were identified by the Government.

Chair, the ANAO made two recommendations which were agreed to by the four Departments.

Firstly, to assist with moving from policy development and priority setting to on-the-ground service delivery, the ANAO recommended that FaCSIA, in its lead agency role, develop a protocol to monitor and, where appropriate, escalate for resolution matters affecting the efficient and effective implementation of the Arrangements – including where multiple departments were involved in funding arrangements with Indigenous communities and service providers; and that Indigenous specific and relevant mainstream programs be redesigned so that they could respond flexibly to Indigenous needs.

Secondly, to support the development of a whole of government performance monitoring and reporting framework in Indigenous affairs and to enable progress against the Ministerial Taskforce's three priority areas for action to be reported, we also recommended that, at a minimum, participating departments:

- identify their individual contribution to achieving improvements to the intermediate outcomes that contribute over time to the Taskforce's three priority areas for action; and
- collectively, settle an appropriate model to present public information on the performance of Australian Government departments for the information of Ministers and the Australian Parliament.

Chair, while the focus of the audit was on the implementation of the IAAs, the lessons learned through this audit, in our view, can provide insights that inform on-going development in the administration of Indigenous affairs more generally, especially the current initiatives in the NT.

Further, as you might expect Chair, the ANAO will consider, as part of its on-going Audit Work Program, conducting a future audit in this area. Such an audit could include examining any further progress Australian Government departments have made to implement the Indigenous Affairs Arrangements.

Finally, we would like to acknowledge the cooperation of the Departments in the conduct of the audit. I also have with me today two members of the audit team to assist the Committee in its inquiry, Mr Steven Lack, Executive Director, who oversighted this audit and Ms Claire Kelly, the Audit Manager. As you know, the ANAO appreciates the strong interest that the JCPAA has in our audits – audits such as this one.