

## **Audit Report No. 10 2007-2008**

# Whole of Government Indigenous Service Delivery Arrangements

## **Background**

- 2.1 Successive Federal Governments have modified the administration of Indigenous affairs with the objective of focusing attention on areas of Indigenous disadvantage. Models have included a separate department of State. The Department of Aboriginal Affairs (DAA) was established in the early 1970s and was followed by the Aboriginal and Torres Strait Islander Commission (ATSIC).
- 2.2 From 1990 to 2005, administrative responsibilities were reorganised, including the transfer of Indigenous health from ATSIC to the then Department of Health and Aged Care in 1995-96. In 2003, most of ATSIC's funding and responsibilities were transferred to the Aboriginal and Torres Strait Islander Services (ATSIS). From 2002, initiatives by the Council of Australian Governments (COAG) to improve outcomes in identified areas of Indigenous disadvantage have been promoted through the cooperative efforts of governments at all levels.
- 2.3 In 2004, the Australian Government put in place the Indigenous Affairs Arrangements (IAAs) which involved the transfer of ATSIC and ATSIS administrative responsibilities and funding to 'mainstream' Australian Government departments.

- 2.4 In June 2007, the then Prime Minister and the Minister for Families, Community Services and Indigenous Affairs announced a number of major Indigenous measures. The aim was to respond to the findings of a Northern Territory Government report, *Little Children are Sacred*, into the alleged abuse of children in some remote communities in the Northern Territory.
- 2.5 The objective of the audit was to assess how four key departments: Education, Science and Training (DEST); Employment and Workplace Relations (DEWR); Families, Community Services and Indigenous Affairs (FaCSIA); and Health and Ageing (DoHA) were implementing the 2004 IAAs.<sup>1</sup>
- 2.6 While the focus of the audit was on the implementation of the IAAs, the lessons learned through the audit can be expected to provide insights to inform on-going developments in the administration of Indigenous affairs, especially the current initiatives in the Northern Territory.

## **The approach adopted in the Indigenous Affairs Arrangements (IAAs)**

- 2.7 The Australian Government's objective in introducing the IAAs is that over a 20–30 year timeframe:
- Indigenous Australians, wherever they live, have the same opportunities as other Australians to make informed choices about their lives, to realise their full potential in whatever they choose to do and to take responsibility for managing their own affairs.<sup>2</sup>
- 2.8 When implementing the IAAs, the Australian Government's approach was based on COAG's core principles set out in its National Framework for Principles for Government Service Delivery to Indigenous Australians. A core principle was the establishment of an accountability framework to enable Australian Government departments and agencies to report their performance against government policy objectives and priorities in Indigenous affairs.
- 2.9 In addition to setting out high-level accountability arrangements, collaboration was seen as critical to the Government's approach in the

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<sup>1</sup> Following the 2007 Federal Election, Department of Education, Science and Training (DEST) and the Department of Employment and Workplace Relations (DEWR) merged to form the Department of Education, Employment, and Workplace Relations (DEEWR), and the Department of Families, Community Services and Indigenous Affairs (FaCSIA) became the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA).

<sup>2</sup> The Australian Government, 2004, *Indigenous Affairs Arrangements*, p. 14.

IAs. This includes high-level collaborative arrangements through the Ministerial Taskforce and Secretaries' Group on Indigenous Affairs to on-the-ground initiatives through the ICC network. It was considered that successful collaboration on-the-ground between Australian Government departments to deliver services to Indigenous communities and regions depended on:

the flexible use of funds which may involve pooling them for cross-agency projects or transferring them between programmes.<sup>3</sup>

- 2.10 Ensuring that Indigenous-specific and mainstream programmes were flexible enough to respond to the needs of Indigenous clients meant moving away from treating programme guidelines as rigid rules.
- 2.11 In operationalising the IAs, consideration was given to the role of a lead agency. Under the Administrative Arrangements Order (AAO) of January 2006, FaCSIA was given the role of Indigenous policy coordination. Monitoring progress over the implementation phase of a Government initiative is an important function of a lead agency. This is especially the case where successful implementation is complex, or involves a number of government departments, as is the case with whole of government Indigenous service delivery.

### National priorities

- 2.12 The Ministerial Taskforce on Indigenous Affairs (MTF) includes Ministers from relevant Australian Government portfolios. The MTF has articulated three national priorities in Indigenous affairs:
- early childhood intervention;
  - safer communities; and
  - building Indigenous wealth, employment and entrepreneurial culture.
- 2.13 These three priority areas are broadly consistent with COAG's three priority outcomes:
- safe, healthy and supportive family environments with strong communities and cultural identity;
  - positive child development and prevention of violence, crime and self-harm; and
  - improved wealth creation and economic sustainability for individuals, families and communities.

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<sup>3</sup> The Australian Government, 2004, *ibid.*

## Departmental collaboration

- 2.14 The Government's policy for Indigenous affairs is one of 'mainstreaming'<sup>4</sup> in a whole of government context. The whole of government concept was elaborated in *Connecting Government – whole of government responses to Australia's priority challenges*, a Management Advisory Committee (MAC) report released in April 2004. The report noted that all resources of government should, where necessary, be brought together to produce solutions to government service requirements.
- 2.15 When launching the April 2004 MAC report, Dr Peter Shergold, Secretary, Department of the Prime Minister and Cabinet commented:
- Now comes the biggest test of whether the rhetoric of connectivity can be marshalled into effective action. The Australian Government is about to embark on a bold experiment in implementing a whole of government approach to policy development and delivery .... and the embrace of a quite different approach to the administration of Indigenous-specific programmes and services.<sup>5</sup>
- 2.16 Departmental collaboration is represented at the top by the Secretaries' Group on Indigenous Affairs (SGIA). The SGIA provides advice and support to the MTF and is expected to provide coordination across government departments. The work of the Secretaries' Group is supported by a Senior Executive Service (SES) Taskforce and by other working groups and taskforces as required. Each year, the SGIA prepares an annual report on outcomes across departments and agencies.

## Indigenous Coordination Centres (ICCs)

- 2.17 Indigenous Coordination Centres (ICCs) are the main vehicle for departmental coordination of Indigenous-specific programmes. ICCs are staffed by officers from the relevant mainstream Australian Government departments and in rural and remote areas, operate as multi-agency units. These multi-agency units combine coordination, planning and service functions. ICC staff are also in contact with Indigenous communities to develop individually tailored agreements (Shared Responsibility Agreements) to focus on issues the community seeks to address.

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<sup>4</sup> The concept of mainstreaming requires government departments and agencies with responsibility for all policies in a particular area to take over the responsibility for the delivery of programmes to Indigenous people. The delivery of Indigenous health and education programs had previously been mainstreamed with the relevant Australian Government departments.

<sup>5</sup> Shergold, P, April 2004, a speech to launch *Connecting Government: whole of government responses to Australia's priority challenges*.

## Funding of the IAAs

2.18 In 2003–04, there was a total identifiable Commonwealth expenditure on Indigenous affairs of \$2.8 billion<sup>6</sup>, including both mainstream and Indigenous-specific expenditure.

### Mainstream expenditure

2.19 Of the \$2.8 billion, around \$1.5 billion was spent through mainstream departments and agencies, such as the education, health, and social security portfolios.

### Indigenous-specific expenditure

2.20 A number of former Indigenous-specific ATSIC–ATSI programmes were transferred to three of the four departments which were the focus of the audit – the Departments of Employment and Workplace Relations (DEWR), Families, Community Services and Indigenous affairs (FaCSIA), and Health and Ageing (DoHA).

2.21 The Department of Education, Science and Training (DEST) is the fourth department included in the audit. It has had a continuing responsibility for Indigenous education, in conjunction with the States and Territories, and did not receive any additional programme responsibilities under the IAAs. Other Australian Government departments, which were not part of the audit, received the remainder of the transferred programmes.<sup>7</sup>

## Australian Government Indigenous Expenditure

2.22 For the 2006–07 Budget, the Department of Finance and Administration issued revised guidelines for the presentation of Portfolio Budget Statements. As part of this revision each portfolio was required to list, in tables, the administered and departmental Indigenous expenditure for the current and previous years. These tables are referred to as the Australian Government Indigenous Expenditure (AGIE). Each portfolio compiles its own AGIE for inclusion in its Portfolio Budget Statements.

2.23 Table 1 outlines the total amounts of AGIE, over three fiscal years, for the four departments examined as part of the audit. Together these four

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<sup>6</sup> Parliamentary Library, Parliament of Australia, Current Issues Brief No. 4, 2004–05, *The End of ATSIC and the Future Administration of Indigenous Affairs*.

<sup>7</sup> The remaining programs were transferred to Portfolios such as the Agriculture, Fisheries and Forestry Portfolio, the Attorney-General's Portfolio, the Communications, Infrastructure and the Arts Portfolio, the Environment and Water Portfolio, the Finance and Administration Portfolio and the Transport and Regional Services Portfolio.

departments account for around 80 per cent of the total AGIE of \$3.5 billion estimated for 2007–08.

Table 1 Australian Government Indigenous Expenditure

Department	Total estimated Indigenous expenditure (\$m)		
	2005-06	2006-07	2007-08
Education, Science and Training	583.8	588.0	5803.7
Employment and Workplace Relations	670.0	656.7	683.5*
Families, Community Service and Indigenous Affairs	603.4	924.4	1,043.5
Health and Ageing	491.5	542.6	619.5

Source: Departmental Portfolio Budget Statements for 2005-06, 2006-07 and 2007-08, ANAO Audit Report No. 10 2007-08

Note: \* adjusted based on DEWR's advice of 12 September 2007.

## The Audit

### Audit objectives

- 2.24 The audit objective was to assess how four key departments: DEST; DEWR (now DEEWR), FaCSIA (now FaHCSIA), and DoHA are implementing the Government's policy objective for Indigenous service delivery.
- 2.25 Given the role of the Department of the Prime Minister and Cabinet (PM&C) in whole of government issues generally and the implementation of the IAAs specifically, PM&C was also involved in the audit.

### Audit conclusion

- 2.26 The audit report made the following conclusion:

In 2004, the Australian Government put in place the policy and priorities for the Indigenous Affairs Arrangements (IAAs) to address long-term and entrenched Indigenous disadvantage, and set in train significant changes to the administration of services to Indigenous Australians to deliver on these priorities. Because the IAAs involve participation of multiple Ministers and portfolios and may involve other jurisdictions, the governance arrangements are necessarily complex and critical to managing the risks to successful implementation of such major changes.

The 'mainstreaming' of Indigenous services has provided Australian Government departments with the opportunity to develop more integrated solutions to entrenched Indigenous disadvantage. Reforms to major Indigenous-specific programs are

taking place especially in the areas of employment (the Community Development and Employment Projects) program and housing (the Community Housing and Infrastructure Program).

Implementation of the Government's policy objective is progressing but it is apparent that there are opportunities to streamline the administrative arrangements supporting the delivery of services to Indigenous communities and regions. In addition, a stronger collective focus by departments on performance against the priorities established by the Government is required to assess progress being made, and to inform decisions relating to the effectiveness of on-going administrative arrangements. While departments individually identify their activities in Indigenous affairs in their accountability documentation, there is little in the way of performance information at the aggregate level to assess and inform progress in terms of the Ministerial Taskforce's identified priority areas for action in whole of government Indigenous service delivery.

Areas identified for improvement include:

- implementation of the IAAs and the role of a lead agency;
- whole of government governance and accountability arrangements;
- collaborative efforts to support effective service delivery including the development of joint funding agreements; and
- programmes responding flexibly to Indigenous need.

In addition, as for all significant reform programs, there is a need for an ongoing focus on bringing about cultural change in the departments with responsibilities for administering the IAAs. To implement the IAAs, individuals from participating departments need to be able to work effectively together, requiring different approaches to those used when working as a single department. A consistent message from participants and stakeholders during this audit was the importance of an ongoing focus on the cultural change required to continue the development of appropriate whole of government skills and behaviours, including appreciating the benefits of aligning and using common systems.<sup>8</sup>

2.27 In other words, the audit found that the agencies still face significant work in making the transition from operating as separate departments to cooperating in a streamlined way.

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<sup>8</sup> Australian National Audit Office, Audit Report No. 10 2007-08, *Whole of Government Indigenous Service Delivery Arrangements*, pp. 20-21.

## Implementation of the IAAs and the role of a lead agency

- 2.28 Over the past 2–3 years, departments have been developing ways of delivering Indigenous services in a more collaborative, co-ordinated approach required in a whole of government environment. Departments are now required to deliver services to Indigenous Australians that are integrated and contribute to the Government's overall 20–30 year vision that: *Indigenous Australians, wherever they live, have the same opportunities as other Australians to make informed choices about their lives, to realise their full potential in whatever they choose to do and to take responsibility for managing their own affairs.*
- 2.29 The new arrangements are in the early stages of implementation and progress to date reflects efforts in developing whole of government coordination arrangements. During this period, FaHCSIA has played a lead role in whole of government Indigenous policy coordination.
- 2.30 The whole of government approach to Indigenous service delivery to date has had a strong emphasis on policy development and priority setting. It was the original intention of the Government that Indigenous service delivery involve flexible joint funding arrangements, and that programme guidelines be revised if they prevent innovation or fail to meet local needs. However, insufficient attention has been given to this area.
- 2.31 To overcome administrative barriers to on-the-ground Indigenous service delivery, FaHCSIA, as lead agency, requires clearer authority to escalate issues for timely and efficient resolution.

### Lead agency involvement

- 2.32 The whole of government working environment requires departments, to develop stronger cross-departmental relationships. Initiatives that involve working across organisational boundaries face new and challenging risks. It is important to ensure that there is a common understanding of the risks associated with shared implementation.<sup>9</sup>
- 2.33 Suitable protocols need to be established for situations that are sensitive to each Chief Executive's agency responsibilities but nevertheless allow for the prompt resolution of administrative matters which cross agency boundaries. There may be occasions where it is necessary for the lead agency to articulate the way forward or establish a timetable within which events are expected to occur. In situations where progress is unsatisfactory, it is important that the lead agency exercises its role judiciously, taking into account the responsibilities and accountabilities of

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<sup>9</sup> The Department of the Prime Minister and Cabinet and the Australian National Audit Office, October 2006, *Better Practice Guide – Implementation of Programme and Policy Initiatives*, p. 20.



other participating departments. As a last resort, the protocol would need to allow for Ministerial intervention.

## **Whole of government governance and accountability arrangements**

- 2.34 Governance and accountability arrangements developed in the initial phase of the IAAs were well suited to high-level stakeholder involvement and policy development through the Ministerial Taskforce on Indigenous Affairs and the Secretaries' Group. The Ministerial Taskforce has identified three priority areas for action:
- early childhood intervention;
  - safer communities; and
  - building Indigenous wealth, employment and entrepreneurial culture.

## **Reporting performance against government priorities in Indigenous affairs**

- 2.35 While achievements have been made in developing whole of government priorities for Indigenous service delivery, reporting of the contribution of individual departments has not evolved in the same way. Individual departments continue to plan and provide information within the Outcomes and Outputs framework concerning their individual expenditure. This means it is not currently possible to obtain a clear picture of whole of government Indigenous expenditure, and performance information relating to whole of government initiatives is underdeveloped or absent altogether.

## **Collaborative efforts to support effective service delivery including the development of joint funding agreements**

- 2.36 Indigenous Affairs Arrangements (IAAs) are multi-layered, involving collaboration between a number of governments and their departments as well as the private sector and not-for-profit organisations. The principal areas for collaboration examined included higher level joint planning to support the implementation of the new arrangements and on-the-ground collaboration at the level of the Indigenous Coordination Centres (ICCs).

## **Appropriate funding arrangements with communities and service providers**

- 2.37 Where there are a number of departments involved, suitable financial arrangements to support individually tailored agreements with Indigenous communities have yet to be developed.
- 2.38 Given that departments are now 2-3 years down the track of implementing the new arrangements, the ANAO indicated that a renewed focus on more efficient mechanisms to jointly fund projects where more

than one Australian government agency is involved would reduce 'red tape' for Indigenous communities and service providers.

## Programs responding flexibly to Indigenous need

- 2.39 One of the key foundations of the Australian Government's IAAs is the ability to respond flexibly to the unique needs of each Indigenous community and region. This means moving away from treating program guidelines as rigid rules and introducing more flexibility where the reasons for doing this are sound. The Government's objective with the IAAs is to obtain better results for Indigenous Australians, and flexibility is a key factor in achieving this objective.
- 2.40 The audit identified 34 Indigenous-specific programmes and 59 mainstream programmes with a significant Indigenous component. Only a minority of programmes reported making program guidelines more flexible or incorporating whole of government design innovations since the commencement of the new arrangements.
- 2.41 Being able to respond to the particular circumstances of an Indigenous community or region is an important principle of the IAAs. The ANAO believed that the rate at which the re-design of Indigenous-specific and particularly mainstream programmes is occurring should be reviewed. This would ensure that programmes are able to respond flexibly and in an innovative way to the particular circumstances of an Indigenous community or region when required.

## ANAO recommendations

- 2.42 The ANAO made the following recommendations:

Table 1.1 ANAO recommendations, Audit Report no. 10, 2007-2008

1.	<p>To assist with moving from policy development and priority setting to on-the-ground service delivery, the ANAO recommends that FaCSIA, in its lead agency role develops a protocol to monitor and, where appropriate, escalate for resolution matters affecting the efficient and effective implementation of the Indigenous Affairs Arrangements (IAAs) including:</p> <ul style="list-style-type: none"> <li>(a) translating policy directions into implementation activities especially where multiple departments are involved in funding arrangements with Indigenous communities and service providers; and</li> <li>(b) the redesign of Indigenous-specific and relevant mainstream programmes so that they can respond flexibly to Indigenous needs.</li> </ul> <p><i>Departments' responses: FaCSIA, DEST, DEWR, DoHA, and PM&amp;C agreed with this recommendation</i></p>
2.	<p>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, the ANAO recommend that, at a minimum, participating departments:</p> <ul style="list-style-type: none"> <li>(a) identify their individual contribution to achieving improvements to the</li> </ul>

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intermediate outcomes that contribute over time to the taskforce's three priority areas—such as the Council of Australian Governments' seven strategic areas for action in its Overcoming Indigenous Disadvantage framework; and

- (b) 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.

*Departments' responses: FaCSIA, DEST, DEWR, DoHA, and PM&C agreed with this recommendation*

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## The Committee's review

2.43 The Committee held a public hearing on Wednesday 25 June 2008, with the following witnesses:

- Australian National Audit Office (ANAO);
- Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA);
- Department of Education, Employment and Workplace Relations (DEEWR);
- Department of Health and Ageing (DoHA); and
- Department of the Prime Minister and Cabinet (PM&C).

2.44 The Committee took evidence on the following issues:

- structural changes since the audit report;
- risk management and lessons learned;
- operating in a whole of government context;
- mainstreaming;
- operating with a lead agency; and
- target setting, monitoring and performance management.

## Structural changes since the audit report

2.45 Agencies provided information to the Committee detailing changes that had been made to the structures related to whole of government Indigenous service delivery following the completion of the audit and also the Federal Election. The Committee received evidence of significant changes to the Council of Australian Governments (COAG), and of the introduction of new COAG targets aimed at closing the gap in Indigenous disadvantage. Further, the Committee heard that the Prime Minister would report annually to the Parliament on progress made in closing the gap.

- 2.46 Many elements of whole of government Indigenous service delivery have remained the same, including the continuing roles of the Secretaries' Group on Indigenous Affairs (SGIA), and the Senior Executive Service (SES) Taskforce on Indigenous Affairs. Indigenous Coordination Centres (ICCs) remain the primary whole of government delivery mechanism for Indigenous programs at the regional and community level. However, the Ministerial Task Force (MTF), has taken a different form and has been renamed the Indigenous Affairs Committee of Cabinet.<sup>10</sup>

## Risk management and lessons learned

- 2.47 The audit report found that little had been done to identify, address and document the risks and challenges associated with delivering services to Indigenous Australians via a whole of government approach. The Committee asked agencies about the risks identified and strategies adopted to address this concern.

- 2.48 FaHCSIA stated:

The collaborative work of key agencies across the board continues to ensure that whole of government risks are effectively managed to support the achievement of the policy outcomes...

Additional governance scrutiny and monitoring mechanisms introduced by the government as part of the Indigenous affairs arrangements also support cross-portfolio risk management decision making. Whole of government arrangements in Indigenous affairs and their further development involve intensive and ongoing governance and scrutiny through the Secretaries Group on Indigenous Affairs and its associated senior executive service taskforce on Indigenous affairs. In addition to that, there are mechanisms locally around what are called Australian government heads of agencies – so, state and territory managers of Commonwealth agencies – who meet regularly at a capital city level, and the Indigenous Coordination Centre managers' forums, which are cross-government bodies.<sup>11</sup>

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<sup>10</sup> Ms Hawgood, Department of Families, Housing, Community Service and Indigenous Affairs (FaHCSIA). Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), p. 3.

<sup>11</sup> Ms Hawgood, FaHCSIA. Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), p. 5.

- 2.49 FaHCSIA noted that a cross-agency working group had also been established to consider issues (including those raised in the audit report), and to develop and improve cooperation between multiple agencies.<sup>12</sup>
- 2.50 Further, it was advised that the agencies were taking more consideration of risk management and standardising the information gathering and reporting and monitoring systems, to ensure all grants have a similar framework.<sup>13</sup>
- 2.51 FaHCSIA then discussed lessons learned over the course of the implementation and rollout of the whole of government approach over the previous year. They advised that new models had been put into place, using government business managers located 'on the ground' for the Northern Territory emergency response and the Cape York welfare reform trials.
- 2.52 The Cape York welfare reform trials involved both the Commonwealth and Queensland governments. They consisted of multilayered governance arrangements connecting national, state and regional authorities to ensure flexible and pooled funding arrangements and ongoing training of staff in whole of government operations.<sup>14</sup>
- 2.53 DEEWR informed the Committee of other key lessons coming out of trials including building productive relationships, investment in community capacity building, the need for an emphasis on data collection, and the need for a stronger emphasis on cross-jurisdictional relationships.<sup>15</sup>
- 2.54 While the Committee is glad to see agencies establishing bodies to manage risk into the future, it also notes the importance of capturing the lessons learned in the past to ensure that mistakes are not made again in the future. Whole of government Indigenous service delivery remains a new concept, and steps must be taken at these initial stages to ensure that agencies are building from a strong foundation.
- 2.55 The Committee notes the audit report finding that there remains little documentation on risk identification and management. Documentation of identified risks and lessons learned throughout the implementation of whole of government Indigenous service delivery is clearly an area that

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<sup>12</sup> Ms Moody, FaHCSIA. Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), pp. 5-6.

<sup>13</sup> Ms Moody, FaHCSIA. Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), p. 6.

<sup>14</sup> Ms Hawgood, FaHCSIA. Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), p. 8.

<sup>15</sup> Mr Greer, Department of Education, Employment and Workplace Relations (DEEWR). Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), p. 8.

requires improvement. Agencies require a multi-focussed approach that goes beyond establishing bodies to identify and manage risks. By capturing and documenting lessons learned, agencies are strengthened in making decisions in the future. Accordingly, the Committee recommends:

### **Recommendation 1**

**That the Department of Families, Housing, Community Services and Indigenous Affairs, as the lead agency in Indigenous service delivery identify, document and address the risks and challenges of delivering Indigenous services in a whole of government context with a view to refining and improving service delivery.**

### **Operating in a whole of government context**

- 2.56 The Committee noted the identified risk of a lack of appreciation, skills and culture to support working in a whole of government context, and inquired as to how the skills of staff involved in implementing policy had been improved. The Department of Prime Minister and Cabinet (PM&C) advised that the Secretaries Group and SES Taskforce were operating with the new, specific COAG targets, and that this clear and common purpose had assisted.<sup>16</sup> Further, PM&C stated that the Australian Public Service Commission coordinated the delivery of whole of government training to all employees in ICCs.<sup>17</sup>
- 2.57 While the Committee is pleased to see that the new COAG targets have provided agencies with a clear and common purpose, it is important to ensure that this common purpose is allied to staff development. One of the key findings of the audit report was that staff remained uncertain in operating in a whole of government environment, and that improving staff training and developing a whole of government culture would address this issue. Accordingly, the Committee recommends:

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<sup>16</sup> Ms Wilson, Prime Minister & Cabinet (PM&C). Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), pp. 6-7.

<sup>17</sup> Ms Wilson, PM&C. Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), p. 9.

## Recommendation 2

**That the Department of Families, Housing, Community Services and Indigenous Affairs as lead agency, in conjunction with the Department of Prime Minister and Cabinet, use the findings from its risk management activities to enhance staff training programs. Further, that these staff training programs emphasise delivering services through a whole of government approach, and with a culture of continuous improvement.**

## Mainstreaming

- 2.58 The Committee expressed its concern at the concept of mainstreaming diminishing the ability of agencies who have established best practice guidelines in their own areas of expertise to deliver services. FaHCSIA advised that following the dissolution of ATSIC, mainstreaming was designed to ensure that mainstream departments took up responsibility for delivering services to Indigenous Australians in the same way they did for non-Indigenous Australians.<sup>18</sup>
- 2.59 The Committee then asked whether each agency believed whether the rhetoric of connectivity had been put into effective action in implementing the concept of mainstreaming. DEEWR replied that an Indigenous-mainstream taskforce had been established which had worked with mainstream program areas to ensure they were working to improve outcomes for Indigenous Australians. This led to each program area implementing an Indigenous outcomes action plan for all mainstream programs. Subsequently, all program areas were able to identify short, medium and long-term measures to increase access, participation and outcomes for Indigenous Australians.<sup>19</sup>
- 2.60 DoHA noted that a similar process had been undertaken in its department. It advised that the Office for Aboriginal and Torres Strait Islander Health was a focal point for the issue of Indigenous health. Further, the Medicare Benefits Schedule and Pharmaceutical Benefits Scheme had both seen a faster rate of increase in spending for Indigenous

<sup>18</sup> Ms Hawgood, FaHCSIA. Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), p. 10.

<sup>19</sup> Mr Greer, DEEWR. Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), p. 11.

Australians than non-Indigenous Australians, indicating the positive impact of a focus on mainstreaming.<sup>20</sup>

- 2.61 PM&C replied that a lot of progress had been made, but that there was still a lot more to be done. It noted that the focus on mainstreaming required ensuring that program providers were culturally competent and that performance measurement data resulting from programs was captured.<sup>21</sup>
- 2.62 FaHCSIA indicated that, over time, connectivity between agencies had become a normal part of business. The sharing of responsibility for Indigenous issues was now part of every day practice and no longer the sole preserve of just one branch or group.<sup>22</sup>

### Operating with a lead agency

- 2.63 The Committee then examined the issue of FaHCSIA acting as a lead agency, and asked whether there was a mechanism in place to enable FaHCSIA to intervene when it was identified that targets were not going to be met due to failure in a department. FaHCSIA advised that the Secretaries Group on Indigenous Affairs was the lead monitoring group to which issues could be escalated if appropriate progress is not made. A protocol to escalate issues at all levels from the local level at ICCs up through the SES Taskforce and the Secretaries Group had been developed by agencies in accordance with the recommendation from the Audit Report.<sup>23</sup>
- 2.64 One of the difficulties in managing non-compliance is deciding when and how to escalate issues. Generally, prompt, graduated action puts the Government in the best position to both secure compliance and meet its accountability requirements. The Committee would like to see more robust processes to cater for this contingency in future.

### Target setting, monitoring and performance management

- 2.65 Examining the newer, more specific targets identified by COAG to 'close the gap', the Committee asked how these targets influenced the way in

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<sup>20</sup> Mr Davies, Department of Health and Ageing (DoHA). Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), p. 11.

<sup>21</sup> Ms Wilson, PM&C. Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), p. 12.

<sup>22</sup> Ms Hawgood, FaHCSIA. Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), p. 13.

<sup>23</sup> Ms Hawgood, FaHCSIA. Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), p. 13.



which agencies went about achieving their goals in 'closing the gap'. PM&C advised that agencies had reviewed the evidence base around progress to date in the identified areas, and the progress required to meet the COAG targets. Further, PM&C advised that the Working Group on Indigenous Reform had created a resource that had been used by working groups working on issues such as housing, health, and productivity.<sup>24</sup>

2.66 The Committee noted the significant target of improving Indigenous life expectancy, and asked whether an action plan and strategies would be linked to the output and outcome of improving Indigenous life expectancy. PM&C stated that this was certainly the intention of agencies and that the process had begun through the working groups established by COAG.

2.67 Additionally, a COAG Reform Council had been established to take a prominent role in terms of accountability and reporting, with the purpose of publishing comparable performance information for all jurisdictions in respect of specific purpose payments and national partnerships. The COAG Reform Council is designed to function as an independent body, reporting publicly on the extent to which proposed milestones are being achieved.<sup>25</sup>

2.68 The Committee notes the critical importance of improving Indigenous life expectancy and believes that work on this issue is vital in addressing Indigenous disadvantage. Further, improving service delivery to Indigenous Australians should, as a matter of course, improve Indigenous life expectancy. Accordingly, the Committee recommends:

### **Recommendation 3**

**That the Department of Families, Housing, Community Services and Indigenous Affairs, and the Department of Prime Minister and Cabinet develop and publish an action plan and strategies associated with the output and outcome of improved Indigenous life expectancy.**

## **Conclusion**

2.69 The Committee is aware of the challenges faced by agencies in adopting a whole of government approach to Indigenous service delivery and is pleased to see that agencies are making progress.

<sup>24</sup> Ms Wilson, PM&C. Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), p. 12.

<sup>25</sup> Ms Wilson, PM&C. Committee Hansard, Joint Committee of Public Accounts and Audit, Review of Auditor-General's reports Nos 4 to 26 (2007-08), p. 14.

- 2.70 However, the Committee is of the opinion that agencies must do more to document and manage risks, given the amount of public funds spent, and the significant role of government in addressing the issue of Indigenous disadvantage.
- 2.71 Further, the Committee notes that training in whole of government service delivery, and the building of a whole of government culture across agencies remains insufficient. Although agencies used to operate as separate entities, the change to mainstreaming and whole of government Indigenous service delivery requires agencies and their staff to think in a cross-agency way. Improving staff training and building a cross-agency culture would improve outcomes to Indigenous Australians.
- 2.72 The Committee believes that by adopting its recommendations, and building on the changes made since the audit report, agencies would more comprehensively address Indigenous disadvantage.

