

Audit Report No.43 2011–12

National Partnership Agreement on Remote Service Delivery

Introduction

- 3.1 The National Partnership Agreement on Remote Service Delivery (NPARSD) was signed in January 2009 by the Commonwealth Government and the governments of New South Wales, Queensland, Western Australia, South Australia and the Northern Territory. The objectives of the partnership were to:
- improve the access of Indigenous families to a full range of suitable and culturally inclusive services;
 - raise the standard and range of services delivered to Indigenous families to be broadly consistent with those provided to other Australians in similar sized and located communities;
 - improve the level of governance and leadership within Indigenous communities and Indigenous community organisations;
 - provide simpler access and better coordinated government services for Indigenous people in identified communities; and
 - increase economic and social participation wherever possible, and promote personal responsibility, engagements and behaviours consistent with positive social norms.¹
- 3.2 The NPARSD commits \$291.2 million over six financial years, of which \$187.7 million is funded by the Commonwealth. The Department of

1 Australian National Audit Office (ANAO) Audit Report No.43 2011–12, p. 14.

Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), as the lead agency for Indigenous affairs, receives the full Commonwealth contribution.²

- 3.3 The 29 priority communities identified for the initial implementation of the NPARSD (Figure 3.1 below) are home to approximately 25 000 Indigenous people, representing around 19 per cent of the remote Indigenous population and five per cent of the total Indigenous population. While not designed as a trial, the current NPARSD implementation was intended to inform a roll out to an 'additional tranche of priority communities' in the future.³

Figure 3.1 The NPARSD priority communities



Source Coordinator General for Remote Indigenous Services

² ANAO Audit Report No.43 2011-12, p. 17.

³ ANAO Audit Report No.43 2011-12, pp. 14-15.

- 3.4 The four main elements of NPARSD model are:
- bilateral plans between the Australian Government and each relevant state or territory, which identify priority communities, milestones, performance benchmarks and indicators for services;
 - baseline mapping of social and economic indicators, government investments, services and service gaps in each community;
 - the development of Local Implementation Plans to identify the service delivery priorities agreed to by each community and governments; and
 - the establishment of a Single Government Interface to coordinate services and simplify community engagement with government representatives.⁴
- 3.5 The Single Government Interface consists of six Regional Operations Centres that support Government Business Managers and Indigenous Engagement Officers in each of the 29 priority communities. These staff are responsible for coordinating the delivery of services committed to in Local Implementation Plans. At a jurisdictional level, the delivery of NPARSD activities is managed by Boards of Management, comprising senior representatives from both Commonwealth and state and territory government agencies.⁵
- 3.6 The NPARSD also includes a range of community support measures including the provision of cultural awareness training; programs to improve governance and leadership within communities; the supply and use of interpreter and translator services; and changes to land tenure to enable economic development.⁶
- 3.7 In 2009, Mr Brian Gleeson was appointed by the Government as the Coordinator General for Remote Indigenous Services (the Coordinator General). The Coordinator General is a statutory officer whose role is to 'monitor, assess, advise in relation to, and drive' reforms and improvements to government service delivery and progress towards achieving the Closing the Gap targets in the 29 NPARSD remote communities. The Coordinator General reports to the Government on a six-monthly basis.⁷ In cooperation with state and territory equivalents, the position was intended to:

4 ANAO Audit Report No.43 2011-12, p. 16.

5 ANAO Audit Report No.43 2011-12, pp. 16-17.

6 ANAO Audit Report No.43 2011-12, p. 17.

7 See *Coordinator-General for Remote Indigenous Services Act 2009*; and Office of the Coordinator General for Remote Indigenous Services, 'Role of the Coordinator General' <<http://cgris.gov.au/site/role.asp>> viewed 11 April 2013.

... remove bureaucratic blockages and ensure commitments by government agencies are delivered on time by monitoring requirements under the National Partnership Agreement on Remote Service Delivery and other COAG reforms, assessing progress and advising government where there are gaps, slow progress, or where improvements need to be made'.⁸

Audit objective and scope

3.8 The objective of the audit was to assess the effectiveness of FaHCSIA's management of the Australian Government's responsibilities under the NPARSD. In this respect the Australian National Audit Officer (ANAO) considered whether:

- planning processes enabled effective establishment of the remote service delivery model;
- implementation of the key elements of the remote service delivery model effectively addressed the quality and timing requirements of the NPARSD; and
- performance measurement systems were developed to enable the parties to the agreement to assess whether the NPARSD objectives are being met.⁹

Audit conclusion

3.9 The ANAO's audit found that, overall, FaHCSIA was effective in establishing a government presence in the designated communities, but other elements of the partnership had not yet been implemented as planned and the overall impact on services was not being assessed in a structured way.¹⁰

3.10 The audit's key findings were in the following areas:

- governance and coordination arrangements for cross-jurisdictional implementation
- cross-jurisdictional and local level implementation planning and priority setting
- developing service delivery in communities
- performance assessment and reporting.

8 The Hon Jenny Macklin MP, Minister for Families , Community Services and Indigenous Affairs, *Hansard*, 27 May 2009, p. 44-45.

9 ANAO Audit Report No.43 2011-12, pp. 18-19.

10 ANAO Audit Report No.43 2011-12, p. 20.

- 3.11 Noting the complex cross-jurisdictional nature of the NPARSD, the ANAO found that FaHCSIA gave early attention to the establishment of a government presence in communities. Through the Single Government Interface, a sizeable presence was established in each of the 29 communities. Arrangements to coordinate and set priorities at the jurisdictional level were also put in place.¹¹
- 3.12 However, attention to the development of internal management arrangements got off to a slow start. The ANAO found that FaHCSIA did not finalise program management documentation until almost halfway through the initiative's lifespan.¹²
- 3.13 At the time of the audit report, cultural awareness training, community governance and leadership development and the national interpreter framework had yet to be implemented as envisaged.¹³
- 3.14 Performance information was not well developed and baseline mapping had not been implemented in the intended timeframes. Instead, Local Implementation Plans were negotiated using draft baseline information. The ANAO noted that the robustness of the plans had been dependent on completion of baseline mapping.¹⁴
- 3.15 On top of the late finalisation, more than half of the action items in Local Implementation Plans were 'process' related, whereas only a third were 'concrete deliverables'. FaHCSIA had not developed structured arrangements to assess whether NPARSD activities had caused government services to increase in number, standard, coordination or accessibility.¹⁵
- 3.16 Overall, the ANAO considered that the current NPARSD objectives and outcomes 'will be challenging to meet' and suggested any future expansion 'would benefit from greater consideration of how these more aspirational objectives could be more directly addressed, or alternatively, whether there is a case for some revision to the program objectives'.¹⁶

11 ANAO Audit Report No.43 2011-12, p. 20.

12 ANAO Audit Report No.43 2011-12, pp. 22-23.

13 ANAO Audit Report No.43 2011-12, pp. 23-24.

14 ANAO Audit Report No.43 2011-12, p. 24.

15 ANAO Audit Report No.43 2011-12, p. 20.

16 ANAO Audit Report No.43 2011-12, p. 20.

ANAO recommendations

The audit report made one recommendation aimed at FaHCSIA improving its performance monitoring.

Table 3.1 ANAO recommendation, Audit Report No.43 2011–12

1.	In order to assess whether the range, standard and accessibility of services has improved, and to obtain greater benefit from the investment made to date in baseline mapping, the ANAO recommends that FaHCSIA further develop its performance measurement approach to examine changes in the provision of services at agreed intervals. FaHCSIA's response: <i>Agreed</i>
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The Committee's review

- 3.17 The Committee's public hearing on 6 February 2013 included discussion on the NPARSD by the Coordinator General for Remote Indigenous Services and by FaHCSIA.
- 3.18 The Coordinator General gave the Committee an overview of his role and responsibilities. He informed the Committee that, since being appointed in June 2009, he had made over 100 visits to the 29 communities and that the overall objective and focus of his work was to 'facilitate a positive change' for Indigenous Australians living in those communities by 'changing the way governments work with them'. He explained that the *Coordinator-General for Remote Indigenous Services Act 2009* gave him a clear mandate to comment on government policies, programs and progress in the 29 remote service delivery priority communities, but that he did not have a mandate to make comments about broader government policies and activities.¹⁷
- 3.19 The Coordinator General provided the Committee with comments in relation to the importance of FaHCSIA's leadership role; and on the issue of organisational capacity and its impact on service delivery.¹⁸ These issues are discussed in Chapters 2 and 4 respectively.
- 3.20 Other evidence received by the Committee primarily focused on:
- local engagement in service delivery and planning; and
 - the measurement of outcomes.

17 Mr Brian Gleeson, Coordinator General for Remote Indigenous Services, *Committee Hansard*, Canberra, 6 February 2013, p. 2.

18 Mr Brian Gleeson, Coordinator General for Remote Indigenous Services, *Committee Hansard*, 6 February 2013, Canberra, pp. 2, 3.

Local engagement in service delivery and planning

- 3.21 In his evidence before the Committee, the Coordinator General advised that the issues highlighted in the Auditor-General's reports were not new and that changes may be required to the way services are delivered where outcomes are not being achieved. Particularly for remote communities, he emphasised that:
- ... top-down coordination will never beat bottom-up collaboration with those people who will have to live with the consequences of the decisions made.¹⁹
- 3.22 In response to a question, the Coordinator General elaborated on this by pointing to the 'place-based' approach used by the NPARSD, which was emerging as a useful model for government interactions with Indigenous communities.
- 3.23 Firstly, he noted that each of the 29 priority communities had a community-owned local reference group. These representative groups were mandated specifically to coordinate the priority needs of their communities and to 'engage with them about what they want'.²⁰
- 3.24 Additionally, each of the NPARSD priority communities had a local implementation plan that had been 'worked up' within the community, with the support of government. The plans outlined each community's priorities and needs over a three to five year period.²¹
- 3.25 Finally, each of the priority communities had a local government person residing in the community and an Indigenous engagement officer appointed from within the community. This arrangement promoted interaction and engagement by providing 'a locally based government resource to interact with, living in the community and working with the community', and also provided a public accountability mechanism.²²
- 3.26 Responding to a suggestion from the Committee regarding services in less remote communities, FaHCSIA advised that place-based approaches like those being delivered in remote areas under the NPARSD could also have a role to play in service delivery in urban and regional areas.²³

19 Mr Gleeson, *Committee Hansard*, Canberra, 6 February 2013, p. 3.

20 Mr Gleeson, *Committee Hansard*, Canberra, 6 February 2013, p. 5.

21 Mr Gleeson, *Committee Hansard*, Canberra, 6 February 2013, p. 5.

22 Mr Gleeson, *Committee Hansard*, Canberra, 6 February 2013, p. 5.

23 Mr Michael Dillon, Deputy Secretary, FaHCSIA, *Committee Hansard*, Canberra, 6 February 2013, pp. 9–10.

Measurement of outcomes

3.27 The ANAO's findings largely centred on the need for better measurement and monitoring of the outcomes of the NPARSD: in particular, whether the number, standard, coordination or accessibility of services were improving. The report suggested that the objectives and outcomes of the NPARSD would be 'challenging to meet', and recommended that FaHCSIA 'further develop its performance measurement approach to examine changes in the provision of services at agreed intervals'.²⁴

3.28 In its written submission, the National Congress of Australia's First Peoples supported the ANAO's recommendation and informed the Committee that 'accountability to ensure that Government expenditure and policies lead to improved outcomes in Aboriginal and Torres Strait Islander communities' was part of its Policy Platform. There was a need for:

... stronger governance structures, including mechanisms for accountability and evaluation, performance monitoring and reporting, attached to Government programs and service delivery.²⁵

3.29 At the public hearing, the Coordinator General for Remote Indigenous Services also agreed with the ANAO's finding that 'insufficient attention has been given to ensuring we can assess whether services are improving as envisaged in the National Partnership Agreement on Remote Service Delivery'. He suggested that this shortcoming was:

... a symptom of the focus on ticking the boxes rather than remembering we are trying to achieve all this through collective activity. I think there is of course a common failing across governments and all organisations, if we are to be honest, and that working together is a very important asset in achieving these results and is something I have addressed in my first report.²⁶

3.30 The Coordinator General noted, however, that progress was being made on this issue.²⁷

3.31 At the public hearing, FaHCSIA provided the Committee with an update on the implementation of the ANAO's recommendation:

We have basically accepted the recommendation and we have a whole range of work in place. At the moment we have mid-term

24 ANAO Audit Report No.43 2011-12, pp. 20-21, 26.

25 National Congress of Australia's First Peoples, *Submission 3*, p. 8.

26 Mr Gleeson, *Committee Hansard*, Canberra, 6 February 2013, pp. 2-3.

27 Mr Gleeson, *Committee Hansard*, Canberra, 6 February 2013, p. 3.

progress reports for each remote service delivery community and they are virtually completed. They will be published in early 2013. We have a mid-term implementation review. It has been drafted and we are negotiating with the states for its release this year, and there is a final evaluation due at the end of this year.²⁸

3.32 The Coordinator General also noted that the baseline mapping of each community that took place under the NPARSD had been useful for identifying gaps in service delivery outcomes, which had been included in plans for addressing local priority issues. This had been leading to noticeable improvements being made in each of the communities.²⁹

3.33 More broadly, at the hearing on 13 March 2013, the Auditor-General spoke about the ANAO's ongoing calls for a stronger focus on outcomes – that is, focusing on the *impacts* of government programs, not just their outputs or deliverables. The Auditor-General explained that the issues concerned:

... the way government can drive its dollar, its scarce resources, further is by better targeting of programs and more efficient delivery of programs. So we all need to be a bit more focused on the performance indicators which help us to manage these programs to get the impact we are trying to achieve.

I think we would all agree there is room for improvement.³⁰

3.34 In relation to Indigenous service delivery, the Auditor-General called for FaHCSIA to take the leadership role,

... because they have got the expertise and to spread the expertise – what works well, what does not work so well – so that we can improve the delivery performance to reach these objectives we all agree are very admirable and desirable.³¹

Committee comment

3.35 The Committee welcomes the Auditor-General's report and endorses his findings in relation to the implementation of the National Partnership Agreement on Remote Service Delivery.

3.36 While the Committee is interested in seeing progress being made towards reducing disadvantage for all Indigenous Australians, not just those in remote areas (as noted in Chapter 2), the Committee recognises the special

28 Mr Dillon, *Committee Hansard*, Canberra, 6 February 2013, p. 4.

29 Mr Gleeson, *Committee Hansard*, Canberra, 6 February 2013, p. 5.

30 Mr Ian McPhee, Auditor-General, Canberra, 13 March 2013, p. 7.

31 Mr Ian McPhee, Auditor-General, Canberra, 13 March 2013, p. 7.

circumstances and challenges facing remote Indigenous communities and the need for a specific focus on these communities to continue, in addition to enhanced 'mainstream' initiatives.

- 3.37 Although it is clear from the ANAO report and reports of the Coordinator General that there have been some initial problems and ongoing challenges in implementing the NPARSD, it is also clear that the partnership is making a large positive difference to the 29 'priority' communities that are included.
- 3.38 Critical to the partnership's success appears to have been the high level of local engagement in identifying priorities, developing plans and implementing action items. This finding validates the effectiveness of 'place-based' models for Indigenous service delivery, and also supports the calls by the National Congress of Australia's First Peoples and the Social Justice Commissioner for Aboriginal and Torres Strait Islander Affairs for increased participation by Indigenous people in decisions about the issues that affect them, as was discussed in Chapter 2.
- 3.39 The Committee notes, however, that regardless of its success, the partnership's broader impact on Closing the Gap will be very limited due to its focus on only 29 communities in remote areas, representing just five per cent of the total Indigenous population.³² There is a need for governments to provide clarity and certainty in regards to how the remote service delivery model will be implemented beyond the current six year partnership, including any plans for expansion into other remote communities, or indeed, into urban and regional Indigenous communities.
- 3.40 Effective measurement of outcomes is essential for evaluating whether programs are achieving their desired results, and therefore whether value for money is being achieved. The Committee recognises that work currently underway through FaHCSIA, as the ANAO recommended, to assess the extent to which the range, standard and accessibility of services has improved in the priority communities will have a clear impact on any decisions to expand the current model into more communities.
- 3.41 The Committee is interested to see the results of these efforts, and therefore makes the following recommendation:

32 ANAO Audit Report No.43 2011-12, p. 15.

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.

