

EXECUTIVE MINUTE

on

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT [No.414]

Review of Auditor-General's Reports Tabled between August 2007
and August 2008

General comments

I write to respond to recommendations 1, 2, 3 and 14 of Report 414, which relates to matters for which the Department of Families, Housing, Community Services and Indigenous Affairs has primary carriage or takes a coordination role across Commonwealth Agencies.

Response to the recommendations

Recommendation No. 1

That FaHCSIA as lead agency in Indigenous service delivery identify, document and address the risk and challenges of delivering Indigenous services in a whole of government context with a view to refining and improving service delivery.

Response

The recommendation is supported.

There are a number of strategies underway that support improved and responsive service delivery to Indigenous Australians.

Previous audits (e.g. Whole of Government Indigenous Service Delivery Arrangements) have identified a number of areas for improvement that need to be addressed to support the effective delivery of Whole of Government services to Indigenous Australians. Areas identified include:

- implementation of Indigenous Affairs arrangements;
- Whole of Government governance and accountability arrangements;
- collaborative efforts to support effective service delivery; and
- programs responding flexibly to Indigenous need.

Policy, administrative and program responses have been and/or are being implemented to address these issues. These include:



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- the Council of Australian Governments (COAG) National Indigenous Reform Agreement (NIRA) to progress extensive strategy for Closing the Gap between Indigenous and non-Indigenous Australians
 - the NIRA is supported by action on multiple fronts with additional investment through both general and Indigenous specific National Agreements and National Partnership Agreements;
- the NIRA embodies: a set of *Service Delivery Principles for Programs and Services for Indigenous Australians*:
 - Priority principle: Programs and services should contribute to Closing the Gap by meeting the targets endorsed by COAG while being appropriate to local community needs
 - Indigenous engagement principle: Engagement with Indigenous men, women and children and communities should be central to the design and delivery of programs and services
 - Sustainability principle: Programs and services should be directed and resourced over an adequate period of time to meet the COAG targets
 - Access Principle: Programs and services should be physically and culturally accessible to Indigenous people recognising the diversity of urban, regional and remote needs
 - Integration principle: There should be collaboration between and within Governments at all levels and their agencies to effectively coordinate programs and services
 - Accountability principle: Programs and services should have regular and transparent performance monitoring, review and evaluation;
- the NIRA also includes a Remote Service Delivery Strategy involving:
 - establishment of a Single Government Interface in each RSD location involving Government Business Managers and Indigenous Engagement Officers supported by a network of Regional Operational Centres involving all levels of government, and jurisdictional Boards of Management



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- use of a place-based strategy in targeted remote locations, which includes a rigorous approach to planning, baseline measurement and evaluation
- implementation of the *Service Delivery Principles for Programs and Services for Indigenous Australians* and the *National Principles for Investment in Remote Locations* to guide the implementation of the *National Partnership Agreement on Remote Service Delivery*
- appointment of a Commonwealth Coordinator General for Remote Indigenous Services (and similar roles in other jurisdictions);
- implementation of a COAG Urban and Regional Service Delivery Strategy (part of the COAG National Indigenous Reform agenda);
- developments in Closing the Gap in the Northern Territory;
- implementation of common program management processes across Whole of Government Indigenous Funding programs, including Plain English agreements, consistent and streamlined performance indicators in funding agreements and alignment of risk management approaches.

Remote Services Delivery Strategy (RSD)

The aim is to foster a positive working relationship and work through policy and coordination issues in relation to the RSD NP to ensure services are delivered in remote communities and progress made towards closing the gap over time.

Key expected outcomes under the RSD NP include:

- better coordinated, consistent and connected government services and more highly developed capacity in Indigenous communities;
- improved access to services for Indigenous people in remote locations to support achievement of the COAG targets. Ensuring:
 - easier access for Indigenous Australians to government services; and
 - user friendly services are provided to Indigenous Australians by government; and
- improved workforce planning including the development of local skills and a stable local workforce.

The Prime Minister, in his *Closing the Gap Report* to Parliament on 26 February 2009, acknowledged the need for the effective coordination of government services in remote communities and announced the creation of



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the statutory office of Coordinator-General for Remote Indigenous Services (Coordinator-General).

Supported by a small team of staff, the Coordinator-General will drive, monitor and report on, the implementation of reforms across government in remote Australia to support the achievement of the Closing the Gap targets. The Coordinator-General will provide strategic central leadership and coordination of the RSD NP, initially in the priority locations identified. Details are provided in Attachment A:

The Coordinator-General will work collaboratively with Commonwealth, State and Territory officials and Ministers. However, he has the authority to work across agencies to cut through bureaucratic blockages and red tape, and to make sure services are delivered effectively.

The Coordinator-General will have an established network and clear line of sight to priority communities. The network will ensure that the Coordinator-General is able to respond to service delivery and coordination issues quickly.

The Role and Operating Arrangements of the Coordinator-General were agreed by COAG on 30 April 2009. It was agreed that Commonwealth agencies would appoint National Coordinators who will be the lead contact point and will have a general duty to cooperate with the Coordinator-General. The State and Territories will also identify Coordinators to provide a lead contact point at the jurisdictional level. The Coordinator General's first report was released on 4 December 2009.

COAG's National Urban and Regional Service Delivery Strategy for Indigenous Australians (a schedule to the National Indigenous Reform Agreement)

To close the gap, there will need to be a concerted effort by government among the 75 per cent of Indigenous Australians who live in urban and regional locations across Australia.

COAG has agreed to a *Closing the Gap: National Urban and Regional Service Delivery Strategy*, which commits governments to coordinate and target the substantial funding provided under mainstream and Indigenous-specific programs to address Indigenous disadvantage in urban and regional locations.

In addition, it provides for:

- targeting of existing and future investments in housing, homelessness, education, employment, health and early childhood services to address Indigenous disadvantage in urban and regional areas;



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- improved access by Indigenous people to better coordinated and targeted services;
- local need/place-based approaches enabling initiatives to be delivered in a manner appropriate to needs in a particular location;
- strengthened Indigenous capacity, engagement and participation to promote a strong and positive view of Indigenous identity and culture and strengthening individual, family and community wellbeing and capacity as a necessary impetus to improved access to, and take-up of, services;
- more effective program accountability and sustainability, with governments required to enhance statistical collection services and other information sources to improve the detail and accuracy of reporting on outcomes; and
- COAG monitoring progress in utilising Indigenous-specific and mainstream National Partnerships (NPs) to improve outcomes in urban and regional locations (*jurisdictions are required to report to COAG on progress by the end of 2009*).

Closing the Gap in the NT

The Australian and Northern Territory Governments have entered into a National Partnership Agreement (the Closing the Gap in the Northern Territory National Partnership Agreement) which provides for the continuation until 30 June 2012 of a number of measures commenced in 2007 under the Northern Territory Emergency Response (NTER) and related legislation. The Agreement transitions the NTER to a three year development phase to build on and enhance existing measures. It maintains and strengthens core NTER measures while placing a greater emphasis on community engagement and partnerships, and building capability and leadership within Indigenous communities.

The Agreement aims to enhance services in the Northern Territory in relation to the protection of vulnerable children, the provision of law and order; and quality education and health services. Specific objectives include:

- ensure the protection of women and children;
- reduce violence and improve family and community safety including through restriction of alcohol and pornography, enhancing compliance and community education;
- improve the quality of education, increase school participation and employment outcomes;
- improve health and wellbeing, particularly that of children;
- promote positive behaviours among Indigenous youth; and



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- promote personal responsibility

The Agreement will contribute to a number of outcomes – improved safety, health and wellbeing of Indigenous children; improved school engagement and performance; and sustainable communities to support children and youth including through education and employment pathways.

The objectives and outcomes of the Agreement will be achieved by:

- maintaining and extending income management consistent with the Racial Discrimination Act, after appropriate consultation has been undertaken, to eligible welfare recipients in prescribed communities;
- assessing, licensing and monitoring community stores and ensuring food security in communities without a store;
- providing additional language, literacy and numeracy training places to enhance sustainable employment prospects by improving skills, including financial management services to help individuals and families manage their income effectively;
- providing additional NT Police; constructing new police stations and continuing to operate the temporary police stations opened as part of the NTER;
- developing alcohol management plans and targeting alcohol related health and social issues;
- continuing to provide legal assistance to Indigenous Australians for matters arising from the NTER;
- continuing to support the Northern Territory Aboriginal Interpreter Service;
- establishing and/or continuing to operate night patrol services;
- continuing to support the Safe Houses that have been established in Darwin, Alice Springs and a number of remote communities;
- continuing the operation of the Mobile Child Protection Team;
- continuing the Remote Aboriginal Family and Community Worker program;
- providing funding for early childhood services, including operational funding for child care services and crèches established under the NTER and services to improve the parenting skills of families
- continuing the expanded primary health care services initiatives, providing ear and hearing services and follow up dental care for children;
- substantially strengthening the Mobile Outreach Service to address child abuse trauma;



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- enhancing educational outcomes through the construction of extra houses for teachers in remote communities; continuing the School Nutrition program and implementing Accelerating Literacy and Numeracy and Quality Teaching initiatives;
- building the capacity of interpreter services to support engagement between Indigenous communities and government and non-government agencies; and
- continuing to provide Government Business Managers in prescribed communities.

As the lead agency in Indigenous Affairs, FaHCSIA will continue to work closely with other Australian Government agencies and the Northern Territory Government in delivering these initiatives. Quarterly progress reports, addressing progress achieved, benefits realised, issues and risks, and actions arising for each measure, will be provided to the Executive Coordination Forum for Indigenous Affairs.

Cross Agency Working Group on Indigenous Funding and Governance¹

As the lead agency in Indigenous service delivery FaHCSIA has worked through the Cross Agency Working Group on Indigenous Funding and Governance Reform to improve consistency in accountabilities across Indigenous funded programs and to improve standardisation of funding agreements while also reducing unnecessary administrative burden placed on organisations moderated by risk-based reporting and monitoring requirements.

A new suite of agreements and Standard Terms and Conditions for Funding Agreements for whole-of-government funding were implemented from July 2009. The new Standard Terms and Conditions for Funding Agreements are written in plain English, have been considerably reduced and encourage organisations to responsibly manage their business.

Funding agreement reporting requirements have been streamlined to reduce impost on organisations by aligning reporting dates and ensuring that only required information is collected.

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- ¹ The Cross Agency Working Group comprises representatives from: Attorney General's Department; Australian Government Solicitor (AGS); Australian Institute of Health and Welfare (AIHW); Department of Broadband, Communications and Digital Economy (DBCDE); Department of Education, Employment and Workplace Relations (DEEWR); Department of Environment, Heritage and the Arts (DEWHA); Department of Finance and Deregulation (DoFD); Department of Health and Aging (OATSIH); Prime Minister and Cabinet (PMC); and Treasury



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Financial reporting and acquittal processes reflect the risk-based approach of the new agreements.

A framework of 10 generic performance indicators are being implemented across Indigenous funded programs managed through the Whole of Government Grants Management System supported by FaHCSIA. This will provide a greater consistency in performance reporting requirements in funding agreements which is expected to also result in more useful and comparable performance reporting data across programs and projects.

Program Risk Management

FaHCSIA has developed and implemented across all programs, a new program risk management approach which integrates risk assessment and control activities as part of the daily work in program management. Results of risk assessments are captured in grants management systems and provide staff with guidance on the activities required to monitor and manage identified risks. This information will be able to be reported to FaHCSIA managers and Executive to inform high level analysis of program risks. The information will feed into quality assurance and continuous improvement approaches. Training is being provided across FaHCSIA to ensure all staff apply the risk framework as part of service delivery.

Program design risk assessments are undertaken as a standard part of all new or significantly reformed programs and form the basis of program management controls and monitoring practices. These risk assessments will form part of ongoing review processes for existing programs.

FaHCSIA is engaged with other Commonwealth agencies in the development of a whole-of-government approach to risk management. The Working Group is assessing implementation issues for a Whole of Government Approach, with particular regard to the need for an agreed risk assessment and risk management approach for Indigenous organisations. The work seeks to incorporate relevant aspects of the FaHCSIA program risk management framework in the work of ICCs/ROCs to provide a streamlined and consistent process for risk assessment.



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Recommendation No. 2

That FaHCSIA as lead agency, in conjunction with the Dept of PM&C, use the findings from its risk management activities to enhance staff training programs. Further, that those staff training programs emphasise delivering services through a whole of government approach, and with a culture of continuous improvement.

Response

The recommendation is supported.

Risk management underpins the FaHCSIA Common Business Model at all stages of the program lifecycle, including service delivery. Ongoing management of funding agreements and the risks associated with the effective delivery of services informs service delivery strategies and whole of government processes, such as the joint agency risk assessment of organisations in ICCs.

Ongoing analysis on the effectiveness of service delivery, through performance monitoring and acquittals, identifies areas where staff may require additional training. Training is targeted to areas that demonstrate opportunities for improvement.

FaHCSIA actively supports the whole of government approach through leadership and participation in cross-agency working groups supporting the Secretaries' Group on Indigenous Affairs (SGIA) and its key sub-group, the Executive Coordination Forum for Indigenous Affairs (ECFIA)

A recent review of whole of government processes for assessment of applications for funding has integrated FaHCSIA's risk management tools to provide a more structured approach to the identification of provider and service delivery risks. All FaHCSIA staff will receive training in the use of risk assessment tools and other agencies have also been offered assistance in understanding the FaHCSIA approach.

The COAG Remote Service Delivery (RSD) National Partnership Agreement (NP) requires FaHCSIA, other Commonwealth agencies and State/Territory Governments to implement a new approach to a range of services and activities. Under the RSD NP, seven Regional Operations Centres (ROCs) have been established and employ staff across different Commonwealth Agencies and the relevant State/Territory Government. In addition, Government Business Managers (GBMs) and Indigenous Engagement Officers work and live in the priority communities and have a whole of government remit.



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This includes bringing knowledge to the community of relevant Commonwealth and State/Territory Government programs and a responsibility to assist coordination between different government agencies to provide greater emphasis on the benefits of the Whole of Government approach and inform program development and service delivery models.

Risks and issues relevant to each of the locations are being captured and consolidated into an overarching RSD Risk Register (using the Corporate Risk Tracker tool) and an RSD Issues Register by staff in the RSD Branch in FaHCSIA. These risks are reviewed monthly and any extreme risks are escalated to the RSD Program Management Board for consideration. As a result of risks identified, the RSD Program Management Board members will discuss mitigating actions which may include staff training.

Recommendation No. 3

That FaHCSIA and the Dept of PM&C develop and publish an action plan and strategies associated with the output and outcome of improved Indigenous life expectancy.

Response

The recommendation is supported.

Closing the gap in Indigenous life expectancy requires joint action by Commonwealth, State and Territory governments as part of a national effort. COAG has agreed a national strategy through its National Indigenous Reform Agreement (NIRA) and backed this with major new investments. Actions to improve outcomes for Indigenous people, including the gap in life expectancy, are being undertaken through the Indigenous-specific and mainstream COAG agreements in the areas of:

- Indigenous Health;
- Remote Indigenous Housing;
- Indigenous Early Childhood Development;
- Indigenous Economic Participation;
- Remote Service Delivery;
- Remote Indigenous Public Internet Access;
- Social Housing;
- Homelessness;



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- Early Childhood Education;
- Low Socio-Economic Status School Communities;
- Improving Teacher Quality; and
- Literacy and Numeracy.

The role of each of these agreements in the context of closing the gap on Indigenous disadvantage is captured in the NIRA overseen by the Council of Australian Governments (COAG). The NIRA recognises that improving outcomes for Indigenous people, including the gap in life expectancy, requires an approach which directs effort across a range of building blocks of reform, namely, Early Childhood, Schooling, Health, Economic Participation, Healthy Homes, Safe Communities and Governance and Leadership. For example, action to improve education outcomes may also require complimentary action to reduce overcrowding and improve health outcomes. Further examples are provided in Schedules A and C to the NIRA.

The NIRA also:

- commits all jurisdictions to achieving the Closing the Gap targets;
- defines responsibilities and promotes accountability amongst governments;
- provides a roadmap for future action;
- notes the significant funding provided through Indigenous-specific and mainstream COAG agreements to assist in meeting the targets; and
- links to other National Agreements and National Partnerships which include elements that will address the targets.

Oversight of the progress of the Indigenous reform agenda is maintained by COAG through:

- the Working Group on Indigenous Reform (WGIR) which is chaired by the Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon Jenny Macklin MP and involves senior officials from all states and territories. Both FaHCSIA and PM&C participate in the WGIR;
- the COAG Reform Council, which will report annually to COAG on the progress in each jurisdiction against the closing the gap targets and performance measures included in the NIRA;
- the Overcoming Indigenous Disadvantage report which includes the COAG targets and also has a broader focus on outcomes;
- the Report on Government Services; and
- six-monthly reports on the implementation of COAG decisions.



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Other accountability arrangements include the regular reporting and oversight provided by the Coordinator-General for Remote Indigenous Services in driving the implementation of the Remote Service Delivery National Partnership Agreement, and the individual reports on implementation and progress of each of the National Partnership Agreements.

The COAG Reform Council reports are key to understanding the progress being made in closing the gap on Indigenous disadvantage. This annual report will independently analyse and report on progress against the Closing the Gap targets, including closing the life expectancy gap. The first report of the CRC is likely to be a baseline report which identifies the current status of the closing the gap targets, with subsequent reports providing the basis for understanding the impact of reforms and further refinement and adjustment that may be required to ensure the targets are realised.

Recommendation No. 12

That Centrelink, DEEWR, and FaHCSIA conduct an empirical analysis to determine a cost-effective debt waiver, and that this figure be reported to the committee within 6 months of the tabling of the Committee's report.

FaHCSIA

The recommendation is supported.

The Departments analyse the debt data on an ongoing basis and provide advice to government as appropriate.

A handwritten signature in black ink, appearing to read 'J Harmer', with a large flourish at the end.

Dr Jeff Harmer
Secretary



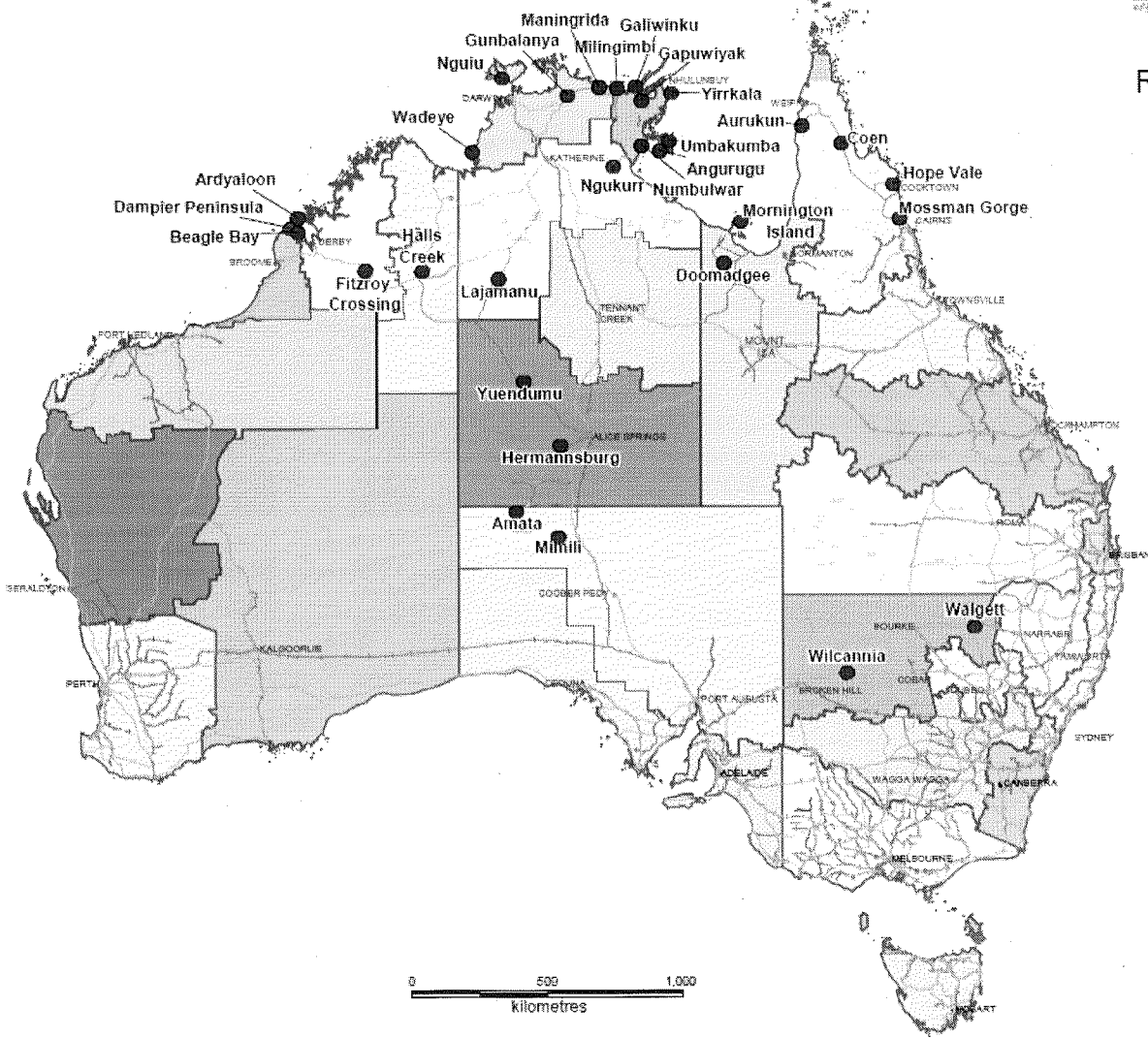
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Remote Service Delivery (RSD) communities and ICC Areas



KEY

- RSD Communities
 - Capital city
 - ▲ Town / Locality
 - Highway / Major road
 - Sealed Road
 - Unsealed Road
 - Track / unsurveyed road
 - Proposed Road
 - Railway
- Roads other than highways and major roads are shown only where they provide access to an RSD community or surrounding area.

ICC Areas

- ▣ Adelaide
- ▣ Alice Springs
- ▣ Bourke
- ▣ Brisbane
- ▣ Broome
- ▣ Cairns
- ▣ Ceduna
- ▣ Coles Harbour
- ▣ Darwin
- ▣ Derby
- ▣ Dubbo
- ▣ External Territories
- ▣ Geraldton
- ▣ Kalbarrie
- ▣ Katherine
- ▣ Kurumarra
- ▣ Mt Isa
- ▣ Nhulunbuy
- ▣ Perth
- ▣ Port Augusta
- ▣ Queensland
- ▣ Rockhampton
- ▣ Roma
- ▣ South Hedland
- ▣ Sydney
- ▣ Tarnworth
- ▣ Tasmania
- ▣ Tennant Creek
- ▣ Townsville
- ▣ TSRA
- ▣ Victoria
- ▣ Wagga Wagga

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