National Partnership Agreement on Remote Service Delivery

Department of Families, Housing, Community Services and Indigenous Affairs

Canberra ACT
19 June 2012

Dear Mr President
Dear Mr Speaker

The Australian National Audit Office has undertaken an independent performance audit in the Department of Families, Housing, Community Services and Indigenous Affairs with the authority contained in the *Auditor-General Act 1997*. I present the report of this audit and the accompanying brochure to the Parliament. The report is titled *National Partnership Agreement on Remote Service Delivery.*

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's Homepage—http://www.anao.gov.au.

Yours sincerely

Ian McPhee
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

Audit Team
Peter Towns
Gillian Meek
Donna Penny
Adrian Harris
Dr Andrew Pope

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Abbreviations

ARIA+	Accessibility/Remoteness Index of Australia
ATSIC	Aboriginal and Torres Strait Islander Commission
BoM	Board of Management
COAG	Council of Australian Governments
ECFIA	Executive Coordination Forum on Indigenous Affairs
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
GBM	Government Business Manager
IEO	Indigenous Engagement Officer
IGAFFR	Intergovernmental Agreement on Federal Financial Relations
LIP	Local Implementation Plan
NIRA	National Indigenous Reform Agreement
NPARSD	National Partnership Agreement on Remote Service Delivery
ROC	Regional Operations Centre
SGI	Single Government Interface
SGIA	Secretaries' Group on Indigenous Affairs
WGIR	Working Group on Indigenous Reform

Glossary

Baseline mapping report
Reports on social and economic indicators, government investments, services and service gaps in each location.

Bilateral plan
Plans completed between the Australian Government and each state/territory government that formalise how the governments will work together to achieve the objectives of the NPARSD.

Board of Management
Multi-jurisdictional board established (in each relevant state/territory) to facilitate intergovernmental collaboration and provide leadership and direction on priority issues of strategic importance to the achievement of NPARSD outcomes.

Closing the Gap
Closing the Gap is a commitment by all Australian governments to improve the lives of Indigenous Australians, and in particular provide a better future for Indigenous children. The commitment is supported by six Closing the Gap targets, which are to:

1. close the gap in life expectancy within a generation;

2. halve the gap in mortality rates for Indigenous children under five within a decade;

3. ensure all Indigenous four year-olds in remote communities have access to early childhood education within five years;

4. halve the gap in reading, writing and numeracy achievements for Indigenous children within a decade;

5. halve the gap for Indigenous students in year 12 attainment or equivalent attainment rates by 2020; and

6. halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade.

Council of Australian Governments	Peak intergovernmental forum in Australia, comprising the Prime Minister, State Premiers, Territory Chief Ministers and the President of the Australian Local Government Association. The role of COAG is to initiate, develop and monitor the implementation of policy reforms that are of national significance and which require cooperative action by Australian governments.
Comparison community	Community used as a benchmark to compare priority communities against.
Government Business Manager	The key liaison for community members, representing the Australian and state/territory governments in the community.
Indigenous Engagement Officer	Indigenous people recruited from within the local area to assist GBMs in their community engagement and liaison work.
Local Implementation Plan	An agreement between governments and a community that identifies community priorities and commitments to improve service delivery.
National Indigenous Reform Agreement	Overarching agreement between the Australian and state/territory governments to give effect to the Closing the Gap policy commitment. Supported by a series of bilateral agreements with each state and territory government, and a range of National Partnership Agreements.
National Partnership Agreement	National Partnerships are agreements designed to support the delivery of specific projects, facilitate reforms, or reward jurisdictions that deliver on nationally significant reforms.
National Partnership Agreement on Remote Service Delivery	A National Partnership established to implement a new remote service delivery model in selected remote communities.

Priority location	One of 29 locations selected for participation in the NPARSD. Also referred to as a priority community.
Regional Operations Centre	Regional offices in which co-located Australian and state/territory government staff work together to serve the priority locations.
Single Government Interface	A multi-jurisdictional structure designed to simplify community interaction with governments, so that community members 'deal with one face of government', with no distinction between levels of government or between agencies across government. The Single Government Interface consists of the Regional Operations Centres, Government Business Managers and Indigenous Engagement Officers.

Summary and Recommendations

Summary

Introduction

1.   The National Partnership Agreement on Remote Service Delivery (NPARSD) was entered into to establish a new model for delivering services in selected remote Indigenous locations. The model is based on a whole-of-government, place-based approach designed to both improve the range and standard of services delivered, and to improve community engagement and development in selected locations. It was intended that this new service delivery model will contribute to closing the gap in life outcomes between Indigenous and non-Indigenous people. While there is a large gap in life outcomes between Indigenous and non-Indigenous people generally, the level of disadvantage suffered in remote Indigenous communities is particularly significant.

2.   The Council of Australian Governments (COAG) identified that the lack of access to services, and the poor coordination of services and infrastructure in remote Indigenous communities, were key drivers of disadvantage, stating:

> There is strong evidence that Indigenous people in remote communities experience significant levels of social and economic disadvantage due to lack of access to services. Historical approaches to service delivery for remote communities have resulted in a mixture of patchy service delivery, ad hoc and short-term programs, poor coordination, and confusion over roles and responsibilities. Complications have been exacerbated by Indigenous-specific programs being added in, often to replace missing mainstream services and/or without any relationship to community development priorities. This lack of collaborative [action] and inconsistent government policy on the funding and delivery of services has contributed to the disadvantage experienced by many communities.[1]

3.   Both the Australian and state/territory government agencies fund the delivery of Indigenous-specific and mainstream government programs and services in remote communities. It is common for both levels of government to fund services in the same social sectors within a community, usually through contract arrangements with non-government organisations. In developing the

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[1]   COAG Fact Sheet: Remote Service Delivery National Partnership Agreement, p.4.

remote service delivery model, governments recognised that better coordinated services alone would not address Indigenous disadvantage and that greater community engagement and governance was also required to complement improved services and infrastructure. Combining these two key elements: service and infrastructure delivery; and community engagement and governance, COAG developed the NPARSD to help address Indigenous disadvantage in 29 selected remote Indigenous communities.[2]

The NPARSD

4. The NPARSD was signed in January 2009 and commits the Australian Government and the New South Wales, Queensland, South Australia, Western Australia and Northern Territory governments to implementing a new service delivery model aimed at contributing to the achievement of five objectives. These are 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.

5. While not designated as a trial, the NPARSD focuses on implementing its remote service delivery model in 29 initial locations. The implementation of the remote service delivery model in the initial locations was to inform the 'roll out' of the measures to an additional 'tranche of priority communities.'[3] Initial

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2   The selected communities, known as 'priority locations' or 'priority communities' are generally a single community, however in some instances the priority location encompasses a primary community and the smaller communities or outstations close by.

3   Minister for Families, Housing, Community Services and Indigenous Affairs, The Hon Jenny Macklin MP, John Curtin Institute of Public Policy address, Perth, 21 April 2009.

locations were selected in consultation between the Australian Government and the relevant state/territory government. Priority locations are situated in New South Wales (two locations), Queensland (six locations), South Australia (two locations), Western Australia (four locations) and the Northern Territory (15 locations) and include a mix of discrete Indigenous communities and mainstream communities with large Indigenous populations. The 29 priority locations have a total population of approximately 28 000 people, with an Indigenous population of approximately 25 000. The Indigenous population of the 29 priority locations represents approximately 19 per cent of the remote Indigenous population and approximately 5 per cent of the total Indigenous population. Figure 1 illustrates the distribution of priority locations across Australia.

Figure 1

Distribution of priority communities
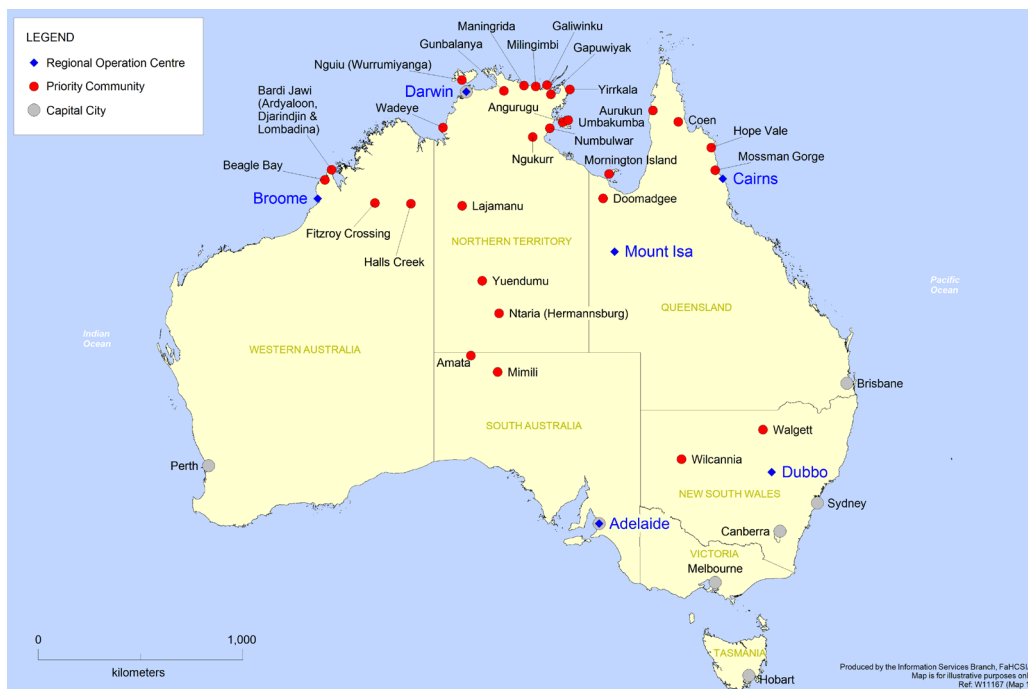
Source: FaHCSIA.

6.   The key elements of the NPARSD's remote service delivery model include:

- bilateral plans between the Australian Government and each relevant state/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 establishment of a Single Government Interface to coordinate services and simplify community engagement with government representatives; and

- the development of Local Implementation Plans to identify the service delivery priorities agreed to by each community and governments.

7.   The above elements are intended to work together as the basis for the remote service delivery model. The planned process for implementing the model commenced with the Australian Government agreeing a bilateral plan with each relevant state/territory. The bilateral plans were to outline how the objectives of the NPARSD would be achieved, identify locations involved and include milestones, performance benchmarks and indicators. Next, baseline mapping for the agreed locations was to be carried out to identify current government expenditure in each community, the current range of services and gaps in services. A key concept in the conduct of baseline mapping is the identification of a comparative non-Indigenous community, in order to establish a baseline for the standard and range of services to be delivered in a priority community.

8.   The establishment of the Single Government Interface to guide engagement between communities and governments involved was a core element of the approach of the NPARSD. The Single Government Interface consists of six Regional Operations Centres, staffed by Australian and state/territory government officers, who support Government Business Managers (GBMs) and Indigenous Engagement Officers (IEOs), located in each of the 29 priority communities. GBMs are the key liaison for community members, representing the Australian and state/territory governments in the community. IEOs are Indigenous people recruited from within the local area to assist GBMs in their community engagement and liaison work.

9.   In the initial stages of the NPARSD the main role of the Single Government Interface was to facilitate the negotiation of Local Implementation

Plans based on the results of baseline mapping. Local Implementation Plans are an agreement between the various levels of government and community representatives and are intended to set out the services required, how they will be delivered and by whom. GBMs and IEOs are then responsible for coordinating the delivery of services committed by governments under the Local Implementation Plans. The delivery of NPARSD activities in communities is managed at a jurisdiction level by Boards of Management. Boards of Management are established in each participating state/territory and are comprised of senior representatives from Australian and state/territory government agencies responsible for the delivery of government services.

10. In addition to the elements directly related to the remote service delivery model, the NPARSD also includes a number of measures aimed at supporting community engagement and governance. Community support measures include:

- provision of cultural awareness training for all government employees involved with priority communities;

- programs to improve governance and leadership within communities;

- supply and use of interpreter and translator services, including the development of a national framework for the supply and use of Indigenous language interpreters and translators; and

- changes to land tenure to enable economic development.

11. The NPARSD involves funding of $291.2 million over six financial years with the Australian Government contributing $187.7 million and the relevant states and the Northern Territory contributing a total of $103.5 million. The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), as the lead Commonwealth agency, receives the full Australian Government contribution of $187.7 million, with most of the budget dedicated to the provision of the Single Government Interface, community governance capacity development, baseline mapping and interpreter services. Table 1 provides a breakdown of the budget for the NPARSD.

Table 1

Budget for the NPARSD

Element	Australian Government ($ million)	State/territory governments ($ million)	Total budget ($ million)
Single Government Interface	77.1	38.6	115.7
Governance and capacity building	45.1	22.6	67.7
Indigenous language interpreter services	19.8	18.9	38.6
Baseline mapping monitoring and evaluation	36.6	-	36.6
Agreeing Local Implementation Plans	5.9	12.5	18.4
Land tenure	-	8.1	8.1
Cultural awareness training	3.3	2.9	6.1
Total	**187.7**	**103.5**	**291.2**

Source: ANAO, based on figures provided in the NPARSD.

Note: The Australian Government total, state/territory governments total, Indigenous language interpreter services total and cultural awareness training total vary due to rounding.

12.   Most of the elements of the NPARSD are joint projects between the Australian Government and the respective states/territory. The key aspects that FaHCSIA is solely or jointly responsible for include:

- negotiating bilateral plans with the relevant states/territory (joint responsibility);

- undertaking baseline mapping (sole responsibility);

- establishing the Single Government Interface (joint responsibility);

- developing Local Implementation Plans (joint responsibility); and

- delivering community support measures (the Australian and state/territory governments both provide funding for these measures but deliver them separately).

Audit objective and criteria

13.   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 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.

Overall conclusion

14. Improving the delivery of government services has been identified by the Council of Australian Governments (COAG) as a key priority in addressing Indigenous disadvantage. At the community level, the effectiveness of the delivery of services can be influenced by the extent to which different programs administered by different government agencies complement each other and support an integrated approach. Further, effective service delivery can also be influenced by the ability of governments and communities to collaborate in identifying needs and priorities. In establishing the National Indigenous Reform Agreement (NIRA), COAG emphasised the importance of governments ensuring that the services they deliver are coordinated effectively and that Indigenous communities are appropriately engaged by, and with, governments in the design and delivery of programs and services. The National Partnership Agreement on Remote Service Delivery (NPARSD) was developed and agreed by COAG to address the need for improved approaches to service delivery in remote Indigenous communities.

15. COAG agreed that the NPARSD's approach to service delivery would ultimately contribute to the six targets for Closing the Gap in Indigenous Disadvantage established in the NIRA. More specifically, COAG agreed that the NPARSD would contribute to improved access to higher quality (and better coordinated) services and infrastructure, comparable with non-Indigenous communities. The NPARSD was also meant to contribute to improved governance and leadership within communities which would ensure community organisations met their legislative requirements and were accountable to their constituents and funding bodies.

16. The funding provided under the NPARSD does not in itself provide actual infrastructure or services to communities or individuals. Instead, the funding is for the establishment and staffing of administrative structures and supporting investments (community governance and leadership programs, cultural awareness training and interpreter services) which, taken together, are

intended to better facilitate the delivery of infrastructure and services provided by government agencies through other programs.

17. The Australian Government has committed $187.7 million to implement the NPARSD initiative. Between 2008–09 and 2010–11, approximately $78.7 million has been spent by FaHCSIA against a budget of approximately $88 million for the same period. This funding has been used to establish a stronger government presence in the selected communities, overarching management arrangements and the mapping of services in communities.

18. Overall, FaHCSIA was effective in establishing a government presence in communities through the Single Government Interface and supporting administrative arrangements. This involved reaching agreement with each state/territory on joint staffing arrangements and contributions. The establishment of cross-jurisdictional governance arrangements through the establishment of Boards of Management in each participating state/territory was also effectively driven by FaHCSIA. As a result, a sizable government presence was established to service each of the 29 communities and arrangements to coordinate and set priorities at the jurisdictional level were also put in place. Baseline mapping, as a fundamental input to the development of Local Implementation Plans, was however not implemented in the timeframes envisaged by COAG. As a consequence, Local Implementation Plans were mostly negotiated utilising draft baseline information.

19. FaHCSIA has not developed structured arrangements to assess whether, as a result of the activities implemented through the NPARSD, government services have increased in number, are of a higher standard, or are better coordinated and simpler to access. Commitments made by governments in the Local Implementation Plans identified that more than half of all action items were 'process' related deliverables, whereas only a third were for 'concrete deliverables' related to the provision of new services and infrastructure. Other supporting measures that FaHCSIA was responsible for delivering, such as cultural awareness training, community governance and leadership development and the national interpreter framework, have not yet been implemented as COAG envisaged.

20. Measuring the contribution that the NPARSD was expected to make toward the Closing the Gap in Indigenous Disadvantage targets remains problematic. The NIRA established performance indicators for measuring progress against the Closing the Gap targets nationally. As part of the baseline

mapping process, FaHCSIA developed a list of 81 social and economic indicators, some of which relate to the NIRA indicators. However, FaHCSIA advised that it is not possible to measure many of the NIRA indicators at the community level and has informed their Minister that even 'significant gains across the 29 priority locations will not have any significant effect on the progress towards the [Closing the Gap] targets nationally.'[4]

21.   The NPARSD was designed to make significant improvements in the way Indigenous people receive and participate in government services. Measuring changes in service delivery would be a relevant and practical way to assess the performance of the NPARSD. Accordingly, current performance measurement approaches could be improved by having a more explicit focus on whether services and access to services in each NPARSD priority community are improving as a result of NPARSD activities. More broadly, good implementation should seek to turn a program's objectives into reality, which highlights the need for the objectives to be reasonable, considering timeframes and resources, and that planned outputs should have a clear and measurable impact on outcomes. As the NPARSD currently stands, the objectives and outcomes of the agreement will be challenging to meet, particularly those related to the comparable standards of services and infrastructure, improved community governance and leadership, and increased economic and social participation. In light of experience, any further expansion of the program 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.

22.   The ANAO has made one recommendation aimed at improving the monitoring of changes in service provision.

Key findings by chapter

Governance and coordination arrangements for cross-jurisdictional implementation

23.   The NPARSD is a complex cross-jurisdictional undertaking requiring the development of clear structures and arrangements to support its implementation. This includes within FaHCSIA, across jurisdictional

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4   FaHCSIA brief, 19 August 2011, Remote Service Delivery Implementation Mini Stock-take August 2011.

boundaries, and in the communities involved. FaHCSIA gave early attention to the establishment of program arrangements within communities to support the Single Government Interface. This involved establishing jointly staffed Regional Operations Centres, as well as recruiting and deploying staff into communities. To support coordination and decision-making with the states/territory, the establishment of joint Boards of Management was also an early priority.

24.   Most responsibilities within the NPARSD have been classified as joint responsibilities, which emphasises the importance of developing a collaborative approach as FaHCSIA does not have explicit authority to direct other Australian and state/territory government agencies in their activities. Boards of Management and Regional Operations Centres are the key mechanisms for working through cross-jurisdictional issues and making decisions about priorities in jurisdictions. While there have been some difficulties in establishing these arrangements, overall they have been effectively established and FaHCSIA has developed solutions to address operational issues that have arisen.

Cross-jurisdictional and local level implementation planning and priority setting

25.   The delivery of initiatives across multiple jurisdictions requires a high level of planning to effectively deliver on complex implementation commitments. While FaHCSIA gave early attention to implementing cross-jurisdictional arrangements such as the Single Governance Interface, it was slow to develop its own internal management arrangements. Initially, responsibility (and funding) for implementing the elements of the NPARSD was delegated to a range of functional areas in the department with limited oversight or coordination. It was almost a year after the commencement of the partnership that FaHCSIA created a dedicated branch focused on overseeing the delivery of the Australian Government's responsibilities under the NPARSD. FaHCSIA did not finalise much of its program management documentation until November 2011, almost halfway through the initiative's life span. The department has also experienced difficulty in readily compiling accurate financial data in relation to program expenditure. Timely implementation of core program elements is a relevant focus, however appropriate implementation guidance should ideally be established as quickly as possible to facilitate consistent implementation.

26.   The development of bilateral plans, negotiated between the Australian Government and the individual states and the Northern Territory, was an important mechanism to formulate and agree priorities for action under the NPARSD. In agreeing the NPARSD, COAG established several requirements for the bilateral plans. The plans were required to identify the priority locations for RSD sites in each jurisdiction, identify proposed new expenditure by the states and the Northern Territory, include relevant performance information and be completed by April 2009. The plans were accepted by FaHCSIA and met the requirements of identifying priority locations, but no plan identified any new proposed expenditure. Generally, performance information was not well developed and all plans were finalised between four and eleven months after the original deadline.

27.   Local Implementation Plans are a core element of the remote service delivery model proposed under the NPARSD. These were to be based on community needs and negotiated with communities. Local Implementation Plans were also developed as a way of prioritising and coordinating government activity in communities so as to reduce duplication and fill gaps in service delivery, and in this respect were to identify priorities, targets, resources and timeframes for the delivery of agreed action items. Action items can be commitments to provide services (for example, drivers' licence training or specialist health services), infrastructure (for example, a child care centre or staff housing), or to undertake some kind of planning, research or review activity (for example, a community safety plan or a feasibility study into establishing a birthing centre). Action items can also relate to commitments made by the relevant community, such as encouraging children to attend school.

28.   As at March 2012, 24 out of 29 Local Implementation Plans had been agreed and various consultation structures had been developed in different jurisdictions. Local Implementation Plans are being used to identify services being provided, or committed to, by government agencies at both the Australian Government and state/territory government level, but the plans generally contain limited details on timing and funding for implementing the action items. In total, over 3800 action items have been identified across all plans, many of which are similar across communities within jurisdictions. More than half (51 per cent) of all action items were focused on processes such as developing plans or testing the viability of services. Commitments to provide 'concrete deliverables', such as new services or infrastructure, made up 31 per cent of action items. Stakeholders generally attributed the lower

number of service and infrastructure action items to tight budgetary conditions. Given the fact that fewer new services were committed to in Local Implementation Plans than originally intended, achieving the NPARSD's objective of contributing to increasing the range of services delivered to Indigenous families will be difficult under the current timeframes of the NPARSD.

Developing service delivery in communities

29. Delivering the remote service delivery model required the implementation of a series of elements within a set of interrelated timeframes. Central to the concept of improving the service delivery model in remote communities was the need to develop a clear evidence base identifying existing services and service gaps in each community. Under the sequential model proposed by the NPARSD, the level of existing services in any given community would be compared to an identified comparator community and governments would negotiate with communities to identify service improvement priorities, having regard to the baseline mapping and the level of services available in comparator communities. In this respect, the robustness of the Local Implementation Plans was dependent on the prior completion of baseline mapping and the identification of appropriate service standards and existing expenditure.

30. Baseline mapping took longer than expected and while it generated a significant level of information about services in each of the priority communities, the baseline mapping reports did not provide the level of detail needed to fully compare the standard and range of services between priority and comparison communities, except in the case of municipal services. Although the Australian and relevant state/territory governments agreed to the design of the NPARSD, including the benchmarking of services and infrastructure against comparable non-Indigenous communities, FaHCSIA advised that the states/territory governments later raised concerns about utilising comparisons with non-Indigenous communities as the primary means of identifying service issues in priority communities. Accordingly, more limited attention was given to this aspect of baseline mapping. Having invested time and resources into the development of the baseline mapping reports, it is important that the information collected is used as a baseline to assess any future improvements in service delivery.

Performance assessment and reporting

31. As a result of the implementation of the NPARSD, access to a full range of suitable services was to be achieved, and further, these services were to be broadly consistent with services provided for other Australians in similarly sized and located communities. At an overall level, COAG identified that as a result of these improved services, the NPARSD would, along with other initiatives that supported the NIRA, contribute to Closing the Gap in Indigenous disadvantage. FaHCSIA has monitored the delivery of the partnership's outputs and reported to COAG on these. FaHCSIA has also developed an online tool to monitor progress in delivering on action items identified in Local Implementation Plans. Difficulties in identifying service standards and comparator communities, and measuring change at the community level have left FaHCSIA with limited opportunity to objectively measure the changes effected as a result of the implementation of the remote service delivery model.

32. The current annual cost of providing the NPARSD initiative is approximately $2.1 million per community, with the provision of the Single Government Interface making the largest proportion of that expense. While limited quantitative assessment can be made of progress towards the partnership's objectives and outcomes, FaHCSIA has made use of qualitative information collected within communities and advises that communities are observing positive changes in engagement with government as a result of the NPARSD.

Summary of agency response

33. A summary of FaHCSIA's response to the report, dated 31 May 2012, is as follows.

> I am pleased that the report acknowledges the work that has been done to date to establish and implement the NPARSD across government. The NPARSD is an important initiative that is working to improve and streamline government services delivery in 29 remote locations around Australia.
>
> FaHCSIA accepts the recommendation made in the report and will work to implement the recommendation as quickly as possible. I do acknowledge however, that to fully implement the recommendation will require the partnership of other Commonwealth agencies as well as that of the State and Northern Territory Governments.
>
> I would like to acknowledge the professional and thorough nature in which officers from the ANAO conducted the audit of the RSDNPA. I look forward to advising you of our progress against the recommendation in due course.

Recommendations

Recommendation No.1

Paragraph 4.38

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: Agreed

Audit Findings

1.   Introduction

This chapter provides an outline of the National Partnership Agreement on Remote Service Delivery and the background to its development, with particular attention to service delivery issues in remote Indigenous communities.

Background

1.1   The National Partnership Agreement on Remote Service Delivery (NPARSD) was entered into to establish a new model for delivering services in selected remote Indigenous locations. The model is based on a whole-of-government, place-based approach designed to both improve the range and standard of services delivered, and to improve community engagement and development in selected locations. It is intended that this new service delivery model will contribute to closing the gap in life outcomes between Indigenous and non-Indigenous people. While there is a large gap in life outcomes between Indigenous and non-Indigenous people generally, the level of disadvantage suffered in remote Indigenous communities is particularly significant.

1.2   The Council of Australian Governments (COAG) identified that the lack of access to services, and the poor coordination of services and infrastructure in remote Indigenous communities, as key drivers of disadvantage, stating:

> There is strong evidence that Indigenous people in remote communities experience significant levels of social and economic disadvantage due to lack of access to services. Historical approaches to service delivery for remote communities have resulted in a mixture of patchy service delivery, ad hoc and short-term programs, poor coordination, and confusion over roles and responsibilities. Complications have been exacerbated by Indigenous-specific programs being added in, often to replace missing mainstream services and/or without any relationship to community development priorities. This lack of collaborative [action] and inconsistent government policy on the funding and delivery of services has contributed to the disadvantage experienced by many communities.[5]

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[5]   COAG Fact Sheet: Remote Service Delivery National Partnership Agreement, p.4.

1.3   Both the Australian and state/territory government agencies fund the delivery of Indigenous-specific and mainstream government programs and services in remote communities. It is common for both levels of government to fund services in the same social sectors within a community, usually through contract arrangements with non-government organisations. In developing the remote service delivery model, governments recognised that better coordinated services alone would not address Indigenous disadvantage and that greater community engagement and governance was also required to complement improved services and infrastructure. Combining these two key elements—service and infrastructure delivery, and community engagement and governance—COAG developed the NPARSD to help address Indigenous disadvantage in 29 selected remote Indigenous communities.

Indigenous disadvantage in remote communities

1.4   Like the wider population, the majority of Indigenous people live in urban and regional areas (74.6 per cent). However, a much larger proportion of the Indigenous population live in remote areas (25.4 per cent, compared to 1.7 per cent of the non-Indigenous population). Table 1.1 provides a comparison of Indigenous and non-Indigenous populations by remoteness.

Table 1.1

Indigenous and non-Indigenous population distribution

Remoteness area	Indigenous population	Percentage	Non-Indigenous Population	Percentage
Major city	164 274	31.8	14 003 400	69.4
Inner regional	108 207	20.9	3 976 010	19.7
Outer regional	113 301	21.9	1 852 380	9.2
Remote	49 478	9.6	265 364	1.3
Very remote	81 914	15.8	87 160	0.4
Total	**517 174**	**100.0**	**20 184 314**	**100.0**

Source: ANAO, based data from the Australian Bureau of Statistics (2006).

1.5   Indigenous people living in remote areas suffer higher levels of social and economic disadvantage than non-Indigenous people in similar locations, Indigenous people located elsewhere and the non-Indigenous population generally. Table 1.2 compares selected life outcome indicators for Indigenous and non-Indigenous people living in remote locations, and the total Indigenous and non-Indigenous population. Data is not available for all indicators.

Table 1.2

Comparison of a selection of life outcome indicators

Indicator	Remote Indigenous population	Remote non-Indigenous population	Total Indigenous population	Total non-Indigenous population
Life expectancy	Male: nd Female: nd	Male: nd Female: nd	Male: 67 Female: 73	Male: 79 Female: 83
Infant mortality (per 1000 live births)	nd	nd	9.6	4.3
NAPLAN mean scores 　　　　Year 3 reading 　　　Year 3 numeracy 　　　　Year 7 reading 　　　Year 7 numeracy	 274.7 284.4 431.6 433.6	 387.3 375.7 533.9 530.4	 330.8 325.3 477.0 477.5	 418.6 399.0 549.6 551.4
Proportion of adults who have completed year 12 (per cent)	14.5	39.4	23.9	49.4
Proportion of people 15 years and over living in overcrowded homes (per cent)	32.6	3.6	24.1	4.2
Weekly household income (mean gross household income)	$496	nd	$580	$983
Unemployment rate (per cent of unemployed people aged 15–64 years)	11.2	3.2	10.7	2.9
Per cent of people aged 15–64 not in the labour force	39.7	23.8	35.5	21.1
Per cent of people aged 18–64 with government cash pensions and allowances as their main source of income	39.8	nd	40.4	13.8

Source:　ANAO, based on data sourced from the Australian Bureau of Statistics (2006), Australian Institute of Health and Welfare (2010), the Steering Committee for the Review of Government Service Provision (2011) and the Australian Curriculum, Assessment and Reporting Authority (2010).

Note:　nd (no data).

Policy context

1.6 Through the National Indigenous Reform Agreement (NIRA), COAG committed to Closing the Gap in Indigenous disadvantage (Closing the Gap). In particular, governments agreed to address six targets:

- close the gap in life expectancy within a generation;

- halve the gap in mortality rates for Indigenous children under five within a decade;

- ensure all Indigenous four year-olds in remote communities have access to early childhood education within five years;

- halve the gap in reading, writing and numeracy achievements for Indigenous children within a decade;

- halve the gap for Indigenous students in year 12 attainment or equivalent attainment rates by 2020; and

- halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade.

1.7 In support of the NIRA, COAG developed a number of National Partnership Agreements to contribute to achieving the Closing the Gap targets, including the NPARSD. The NPARSD was signed in January 2009 and commits the Australian Government and the New South Wales, Queensland, South Australia, Western Australia and Northern Territory governments to implementing a new remote service delivery model aimed at contributing to the achievement of five objectives. These are 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.

Priority locations for implementing the NPARSD

1.8 The NPARSD was established to implement a new remote service delivery model to ensure that Indigenous Australians living in selected remote communities receive and actively participate in services to close the gap in Indigenous disadvantage. While not designated as a trial, the NPARSD focuses on implementing its remote service delivery model in 29 initial locations (known as 'priority locations' or 'priority communities'). The implementation of the remote service delivery model in the initial locations was to inform the 'roll out' of the measures to an additional 'tranche of priority communities.'[6]

Remote Indigenous communities

1.9 Communities selected for participation in the NPARSD are intended to be located in remote or very remote areas of Australia, and are mostly, but not solely, discrete Indigenous communities. A discrete Indigenous community is defined by the Australian Bureau of Statistics as:

> a geographic location, bounded by physical or cadastral (legal) boundaries, and inhabited or intended to be inhabited predominantly by Indigenous people, with housing or infrastructure that is either owned or managed on a community basis.[7]

1.10 Discrete Indigenous communities can be located in urban, regional or remote areas of Australia, but are most commonly located in remote and very remote areas. The Australian Bureau of Statistics use the Accessibility/Remoteness Index of Australia (the most recent version is referred to as ARIA+) to classify the geographic remoteness of communities. ARIA+ is a continuous varying index that provides a location with a value, ranging from 0 (highly accessible) to 15 (high remoteness). These values

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[6]   Minister for Families, Housing, Community Services and Indigenous Affairs, The Hon Jenny Macklin MP, John Curtin Institute of Public Policy address, Perth, 21 April 2009.

[7]   Australian Bureau of Statistics.

correspond to one of five tiers of remoteness (major city, inner regional, outer regional, remote and very remote), and provide a reflection of the general level of accessibility to services. Table 1.3 provides a breakdown of the number of discrete Indigenous communities and their population by remoteness. As previously mentioned, the Australian Indigenous population is estimated by the Australian Bureau of Statistics to be 517 174. Table 1.3 shows that, of this population, some 92 960 people live in 1187 discretely defined communities.

Table 1.3

Discrete Indigenous communities by remoteness area

Remoteness area	Number of Communities		Population	
Major city		4		346
Inner regional		19		1 870
Outer regional		52		10 254
Remote		104		11 237
Communities of less than 50	*71*		*1 436*	
Communities of more than 50	*33*		*9 801*	
Very remote		1 008		69 253
Communities of less than 50	*767*		*8 723*	
Communities of more than 50	*241*		*60 530*	
TOTAL		1 187		92 960

Source: ANAO, based on data from *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities*, Australian Bureau of Statistics (2006).

1.11   Of the 1187 discrete Indigenous communities, 1112 (94 per cent) were classified as remote or very remote.[8] Most remote Indigenous communities are small communities of less than 50 people. Of the 1112 remote Indigenous communities, 838 (75 per cent) have a population of less than 50 people, representing a population of approximately 10 159 people. The 274 larger remote Indigenous communities represent a population of approximately 70 331 people, or 87 per cent of the remote discrete Indigenous community population.

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[8]   Throughout the remainder of this report the term 'remote' is used in reference to locations classified as remote and very remote.

Priority locations for the NPARSD

1.12 Most priority locations for the NPARSD are remote discrete Indigenous communities; however some are non-discrete communities with a significant Indigenous population. Priority locations were agreed between the Australian Government and each relevant state/territory as part of bilateral planning arrangements. Priority locations are situated in New South Wales (two locations), Queensland (six locations), South Australia (two locations), Western Australia (four locations) and the Northern Territory (15 locations).

1.13 The NPARSD originally stated that 26 locations would be selected for participation in the NPARSD, however during the course of negotiations between the Australian Government and the states/territory, the number of priority locations was increased to 29. Priority locations were intended to be selected with reference to population concentration, previous government investment and potential for economic development. Details of the 29 priority locations are provided at Appendix 1.

1.14 Priority locations are generally a single community, however in some instances the priority location is an area encompassing a primary community and nearby smaller communities or outstations. The 29 priority locations have a population of approximately 28 000 people, with an Indigenous population of approximately 25 000. The Indigenous population of the 29 priority locations represents approximately 19 per cent of the remote Indigenous population and approximately 5 per cent of the total Indigenous population. Figure 1.1 illustrates the distribution of priority locations across Australia.

Figure 1.1

Distribution of priority communities
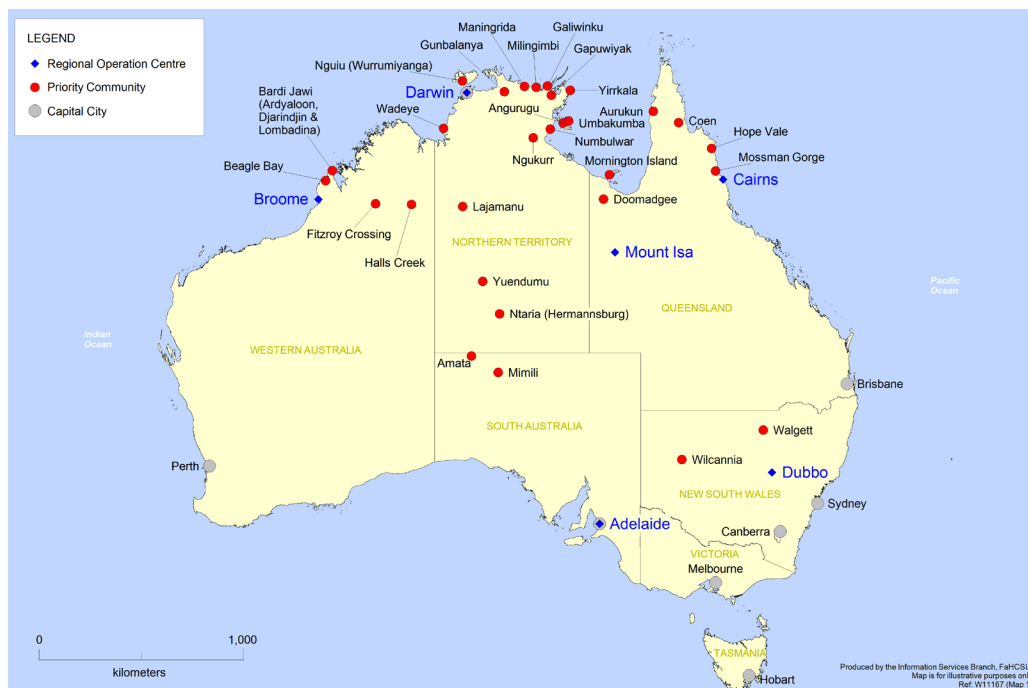
Source: FaHCSIA.

The NPARSD service delivery model

1.15   Activities funded under the NPARSD are primarily focused on implementing a new remote service delivery model that clearly identifies service standards, roles and responsibilities and service delivery parameters to ensure Indigenous people actively engage with and use government services. The model utilises the policy approaches of whole-of-government and place-based service delivery. The underlying rationale is that infrastructure and services can be more effectively delivered if they are tailored to the specific needs of communities and are coordinated via a single government interface that plans in consultation with the community, and coordinates the actions of all levels of government within the community. In this respect the implementation of the NPARSD draws on previously trialled approaches to deliver services to Indigenous communities.

Service delivery in remote Indigenous communities

1.16 Many of the larger remote Indigenous communities were originally established as reserves or missions during the late nineteenth and early twentieth centuries. Service provision was generally the responsibility of government-appointed 'protectors' or church missionaries. Following the 1967 Referendum, which provided the Australian Government with the power to make laws in relation to Indigenous Australians, and the granting of land rights in the 1970s, responsibility for services on reserves and missions shifted. Services previously provided by protectors and missionaries were taken over by incorporated Aboriginal community organisations and councils with funding from governments. These services ranged from municipal services to housing, employment and aged care programs.

1.17 From 1990 to 2004, Australian Government funding was primarily directed to Aboriginal community organisations through the Aboriginal and Torres Strait Islander Commission (ATSIC). Following the abolition of ATSIC, the Indigenous-specific programs that ATSIC provided to remote Indigenous communities were taken over by mainstream government agencies. In many cases, Aboriginal community organisations continued to receive funding under grants from these agencies to provide services. However, in recent years there has also been an increase in the number of non-government organisations, from outside remote Indigenous communities, delivering government-funded services in remote Indigenous communities. Examples include housing maintenance, municipal services, and employment and training services. States and territories also delivered services directly and via third parties.

1.18 In 2000, COAG agreed that all governments would work together to improve the social and economic wellbeing of Indigenous people and communities. Subsequently in 2002, COAG announced the trial of a place-based, whole-of-government service delivery model in Indigenous communities known as the Shared Responsibility Trials or the COAG trials. The COAG trials involved governments working together across jurisdictions and agencies, and with communities, to explore 'new ways of doing business in Indigenous communities'.[9]

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[9]   Morgan Disney and Associated (for the Office of Indigenous Policy Coordination), *Synopsis Review of the COAG Trial Evaluations*, November 2006, p.9.

1.19 A key feature of the COAG trials was the negotiation of Shared Responsibility Agreements between governments and community representatives in each region. Shared Responsibility Agreements were voluntary agreements that outlined what each party would contribute to achieve long-term change in Indigenous communities. They identified community priorities and actions intended to address them. An evaluation of the COAG trials found that most of the Shared Responsibility Agreements negotiated were very ambitious and set goals which were not achievable because the number and nature of the priorities were too many or too big to make a difference within the trials' timeframe.

1.20 Recent public sector reforms have emphasised the importance of coordination across policy, programs and service delivery. Most notably, in the field of Indigenous affairs, the need for greater coordination has been recognised in the integration principle established in the *Service delivery principles for programs and services for Indigenous Australians* (the service delivery principles) agreed to by the Council of Australian Governments (COAG) in the National Indigenous Reform Agreement (NIRA). The integration principle, one of six principles designed to guide the development of Indigenous programs and services, specifically recognises the requirement for collaboration between and within governments at all levels.

1.21 Evidence from program evaluations has showed that although whole-of-government goals are clear, the implementation of programs in Indigenous communities remains fragmented across agencies and jurisdictions and is often characterised by a lack of engagement at a local level.[10] The design of the NPARSD sought to respond to issues identified in the COAG trials and also to reflect the service delivery principles agreed by COAG.

1.22 Some elements of the NPARSD were also drawn from the Northern Territory Emergency Response (NTER). The Australian Government implemented the NTER in June 2007, a five-year whole-of-government intervention aimed at improving family and child safety in 73, mostly remote, Aboriginal communities in the Northern Territory. The NTER utilised elements of a place-based approach with the establishment of Government

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[10] Tsey K, McCalman J, Bainbridge R and Brown C 2012, *Australian Institute of Health and Welfare Resource Sheet no.10 – Improving Indigenous Community Governance through Strengthening Indigenous and Government Organisational Capacity,* p.5 [Internet] available from <http://www.aihw.gov.au/closingthegap/documents/resource_sheets/ctgc-rs10.pdf> [accessed 3 February 2012].

Business Managers (GBM), and later Indigenous Engagement Officers (IEO), to support the implementation and monitoring of the NTER, to be the single face of the Australian Government at the local community level and to exercise a leadership role in coordinating Australian Government services. These structures have been adopted in the NPARSD.

The NPARSD's remote service delivery model

1.23 The NPARSD's remote service delivery model adopts many of the elements first utilised in the COAG trials and the NTER. It also reflects an approach based on seeking to understand and respond to community needs at a whole-of-community level rather than at a discrete sectoral or agency level.

1.24 The key elements of the NPARSD's remote service delivery model include:

- bilateral plans between the Australian Government and each relevant state/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 priority location;

- the establishment of a Single Government Interface (SGI) to coordinate services and simplify community engagement with government representatives; and

- the development of Local Implementation Plans (LIP) to identify the service delivery priorities agreed to by each community and governments.

1.25 The above elements are intended to work together as the basis for the remote service delivery model. The planned process for implementing the model commenced with the Australian Government agreeing a bilateral plan with each relevant state/territory. The bilateral plans were to outline how the objectives of the NPARSD would be achieved, identify the locations involved and include milestones, performance benchmarks and indicators. Next, baseline mapping for the agreed locations was to be carried out to identify current government expenditure in each community, the current range of services and gaps in services. A key concept in the conduct of baseline mapping is the identification of a comparative non-Indigenous community, in order to establish a baseline for the standard and range of services to be delivered in a priority community.

1.26   The establishment of the Single Government Interface to guide engagement between the communities and governments involved was a core element of the approach of the NPARSD. The Single Government Interface consists of six Regional Operations Centres, staffed by Australian and state/territory government officers, who support Government Business Managers (GBMs) and Indigenous Engagement Officers (IEOs), located in each of the 29 priority communities. GBMs are the key liaison for community members, representing the Australian and state/territory governments in the community. IEOs are Indigenous people recruited from within the local area to assist GBMs in their community engagement and liaison work.

1.27   In the initial stages of the NPARSD the main role of the Single Government Interface was to facilitate the negotiation of Local Implementation Plans based on the results of baseline mapping. Local Implementation Plans are an agreement between the various levels of government and community representatives and are intended to set out the services required, how they will be delivered and by whom. Regional Operations Centres, supported by GBMs and IEOs, are then responsible for coordinating the delivery of services committed by governments under the Local Implementation Plans. The delivery of NPARSD activities in communities is managed at a jurisdiction level by Boards of Management. Boards of Management are established in each participating state/territory and are comprised of senior representatives from Australian and state/territory government agencies responsible for the delivery of government services.

1.28   In addition to the elements directly related to the remote service delivery model, the NPARSD also includes a number of measures aimed at supporting community engagement and governance. Community support measures include:

- provision of cultural awareness training for all government employees involved with priority communities;

- programs to improve governance and leadership within communities;

- supply and use of interpreter and translator services, including the development of a national framework for the supply and use of Indigenous language interpreters and translators; and

- changes to land tenure to enable economic development.

1.29 Under the terms of the NPARSD, responsibility for delivering all the key elements is shared between the Australian Government and the relevant states/territory, with two exceptions: baseline mapping and land tenure changes. The Australian Government is solely responsible for developing the baseline mapping reports,[11] while each relevant state/territory is responsible for delivering land tenure changes in its own jurisdiction. The Australian Government does bear the full cost of developing the national interpreter framework, but the framework is to be developed in consultation with the states.

1.30 The NPARSD provides timeframes for delivering the key elements of the remote service delivery model with timeframes for completing LIPs identified in the bilateral plans. Table 1.4 provides a summary of the timetable for delivery of the key elements of the NPARSD.

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[11] While the Australian Government had responsibility for delivering the baseline mapping reports, much of the information and data within the reports was obtained through the agreement and cooperation of the states/territory.

Table 1.4

Timetable for delivery of NPARSD elements

Element	Planned date[a]
NPARSD commences[b]	27 January 2009
Agree bilateral plans with states	27 April 2009
Commence baseline mapping	27 April 2009
Establish ROCs[c]	27 October 2009
GBMs on-site	27 November 2009
Complete baseline mapping	27 November 2009
Commence LIP negotiations	27 November 2009
Complete first iteration of LIPs	December 2009 - June 2010

Source: ANAO, based on analysis of the NPARSD and bilateral plans.

Note a: Planned completion dates were calculated with reference to the commencement date of the NPARSD (27 January 2009) and the timeframes identified in s.24 of the NPARSD. LIP completion dates were sourced from state/territory bilateral plans.

Note b: The NPARSD (paragraph 9) identifies that the agreement commences 'as soon as the Commonwealth and one other Party signs the agreement'. However, funding was not provided to FaHCSIA until after it was appropriated as part of the 2009–10 Budget announced in May 2009.

Note c: The NPARSD identifies timing for the delivery of the 'integrated service delivery mechanism' which is defined as the processes and structures developed to plan and deliver integrated services. Key components of the integrated service delivery mechanism include ROCs and Boards of Management.

Funding

1.31 The NPARSD provides $291.2 million over six financial years (2008–09 to 2013–14) with the Australian Government contributing $187.7 million and the relevant state/territory governments[12] contributing a total of $103.5 million. Unlike some other National Partnership Agreements, the NPARSD does not provide for payments to the states by the Australian Government. The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), receives the full Australian Government contribution of $187.7 million as a departmental appropriation, with most of the budget dedicated to the provision of the Single Government Interface, community governance capacity development, baseline mapping and interpreter services.

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[12] New South Wales, Queensland, South Australia, Western Australia and the Northern Territory.

1.32 FaHCSIA's budget allocation for the NPARSD is included in Program 7.4: Indigenous Capability and Development of its Portfolio Budget Statements. Table 1.5 provides a breakdown of the total budget for the NPARSD.

Table 1.5

Budget for the NPARSD

Element	Australian Government ($ million)	State/territory governments ($ million)	Total budget ($ million)
Single Government Interface	77.1	38.6	115.7
Governance and capacity building	45.1	22.6	67.7
Indigenous language interpreter services	19.8	18.9	38.6
Baseline mapping, monitoring and evaluation	36.6	-	36.6
Agreeing Local Implementation Plans	5.9	12.5	18.4
Land tenure	-	8.1	8.1
Cultural awareness training	3.3	2.9	6.1
Total	**187.7**	**103.5**	**291.2**

Source: ANAO, based on figures provided in the NPARSD.

Note: The Australian Government total, state/territory governments total, Indigenous language interpreter services total and cultural awareness training total vary due to rounding.

FaHCSIA's role

1.33 FaHCSIA is the lead Australian Government agency for the NPARSD and is responsible for delivering on those key elements identified as the Australian Government's responsibility and to assist in delivering activities identified as joint responsibilities. Most of the elements of the NPARSD are joint projects between the Australian Government and the states/territory. The key aspects that FaHCSIA (as the lead Australian Government agency) is solely or jointly responsible for include:

- negotiating bilateral plans with the relevant states/territory (joint responsibility);

- undertaking baseline mapping (sole responsibility);

- establishing the Single Government Interface (joint responsibility);

- developing Local Implementation Plans (joint responsibility); and

- delivering community support measures (the Australian and state/territory governments both provide funding for these measures but deliver them separately).

1.34 FaHCSIA is responsible for many of the monitoring and evaluation requirements associated with the NPARSD.

Audit approach

Audit objective

1.35 The objective of the audit was to assess the effectiveness of FaHCSIA's management of the Australian Government's responsibilities under the NPARSD.

Audit scope

1.36 The audit assessed the planning arrangements established by FaHCSIA (individually and in collaborations with the states/territory), progress in implementing the key elements of the remote service delivery model, and arrangements established to monitor the progress and assess the performance of the NPARSD and the parties involved.

Audit criteria

1.37 The audit 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 addresses 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.

Audit methodology

1.38 The audit involved examination of documents, files and management systems related to the NPARSD. Interviews were held with officers from FaHCSIA, the Office of the Coordinator-General for Remote Indigenous Services, the Northern Territory Government, New South Wales Government, and South Australian Government. Fieldwork was conducted at FaHCSIA's national office in Canberra as well as at ROCs in Adelaide, Darwin and Dubbo.

1.39 The audit was conducted in accordance with the ANAO Auditing Standards at a cost of $446 240.

Report structure

1.40   The audit is structured as follows:

- Chapter 2 examines the arrangements developed to aid the establishment and management of the NPARSD, with particular attention to the arrangements established to support its effective management across jurisdictional boundaries.

- Chapter 3 examines FaHCSIA's overall approach to implementation planning. The chapter also examines the implementation of two critical multi-jurisdictional planning processes: priority setting between the Australian and state/territory governments through bilateral planning, and priority setting and delivery at the community level through the development of Local Implementation Plans.

- Chapter 4 examines FaHCSIA's work in developing baseline mapping reports as well as the delivery of measures designed to support the remote service delivery model.

- Chapter 5 examines the monitoring arrangements used to assess NPARSD achievements. It also examines the financial cost of the program.

2.   Governance and coordination arrangements for cross-jurisdictional implementation

This chapter examines the arrangements developed to aid the establishment and management of the National Partnership Agreement on Remote Service Delivery, with particular attention to the arrangements established to support its effective management across jurisdictional boundaries.

Introduction

2.1   To obtain optimal outcomes from policy initiatives, early and systematic consideration of the practical aspects of implementation is necessary. The audit considered the governance and coordination arrangements developed to guide the implementation of the National Partnership Agreement on Remote Service Delivery (NPARSD) initiative.

2.2   Effective governance arrangements are essential to providing strategic direction, ensuring the achievement of objectives, managing risks and using resources responsibly and with accountability. Where policy and program activities cut across agency and jurisdictional boundaries and involve multiple stakeholders, a heightened focus is needed on governance to ensure that accountabilities, whether individual or shared, are clear and support effective delivery overall.

2.3   In the context of National Partnership Agreements, there is a particular need for ensuring that roles and responsibilities across the governance structure are clearly identified and understood. The 2011 *Inquiry into National Funding Agreements* by the Joint Committee of Public Accounts and Audit found that the clarification of roles and responsibilities across National Partnership Agreements had been inadequate and noted that while shared responsibilities are sometimes unavoidable, they can often lead to confusion over who is accountable for certain tasks.[13] In this way, to achieve aggregate accountability, sound governance arrangements for National Partnership

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[13]   Joint Committee of Public Accounts and Audit 2011, *Report 427 – Inquiry into National Funding Agreements*, pp.32, 40. [Internet] available from <http://www.aph.gov.au/house/committee/jcpaa/natagree/report/fullreport.pdf> [accessed 30 January 2012]

Agreements would generally require:

- clearly defined roles, responsibilities and powers of parties to the agreement;

- clear administrative arrangements to support relationships across boundaries; and

- formalised and/or documented governance and implementation arrangements.

NPARSD governance and coordination

2.4   The NPARSD identifies the roles and responsibilities of the parties to the agreement. The roles and responsibilities are classified as being that of the Australian Government, the states, or joint. The Australian Government is responsible for:

- providing a financial contribution;

- baseline mapping, building and maintaining the evidence base, and monitoring and evaluation;

- working with states to establish the Single Government Interface (SGI) in identified locations;

- providing dedicated staff to operate the SGI;

- working with the states to establish a coordination mechanism to facilitate problem solving as well as to ensure that the development and implementation of service delivery, including servicing plans, proceeds smoothly;

- developing a research capacity to provide advice to government on local and systemic issues associated with cultural accessibility, including cross-cultural training materials; and

- introducing a national framework (in collaboration with the states) for the effective supply and use of Indigenous language interpreters and translators.

2.5   The states are responsible for:

- providing financial contributions;

- working with the Australian Government to establish the SGI in identified locations;

- providing dedicated staff to operate the SGI;

- delivering all of the land tenure component; and

- assisting in the creation of the coordination mechanism.

2.6 The Australian Government and the states share the following responsibilities, working in partnership to:

- plan and implement bilateral plans;

- establish the SGI in identified locations;

- establish Regional Operations Centres (ROC) staffed by Australian and state/territory government officers;

- negotiate Local Implementation Plans (LIP) with selected communities;

- establish programs in identified locations to develop community leadership skills, including capacity building opportunities;

- provide technical support and funding to establish and maintain appropriate structures and capacity for corporate governance;

- provide translation services and cultural awareness training in the identified locations;

- participate in consultations as appropriate;

- identify and share best practice and provide information and assistance with the overarching evaluation of the NPARSD;

- provide sufficient data to enable effective planning and a thorough evaluation of outcomes of the NPARSD at a national and local level; and

- complete the reporting requirements set out in the NPARSD.

2.7 As shown above, the NPARSD contains a high number of joint responsibilities between the Australian and state/territory governments, with most of the initiative's key elements being shared. Joint responsibilities are a feature of a range of early National Partnership Agreements. Following reviews of the initial implementation experience of National Partnership Agreements, COAG's Standing Council on Federal Financial Relations now recommends the minimisation of shared roles and responsibilities in agreements that fall under the Intergovernmental Agreement on Federal Financial Relations (IGAFFR). The council, in its *Toolkit for drafters of new agreements*, regards increased numbers of shared roles and responsibilities in

agreements as detrimental to their transparency and accountability and as contrary to the IGAFFR objective of ensuring increased accountability of the Australian and state/territory governments, underpinned by clearer roles and responsibilities.

Cross-jurisdictional governance arrangements

2.8   The responsibilities set out in the NPARSD emphasise the collaborative nature of the agreement and explicitly require the Australian Government to work closely with state/territory counterparts to establish the operational elements of the agreement and to develop effective mechanisms to coordinate activities, solve problems and negotiate plans at the jurisdictional and community level. The principal mechanisms developed for this purpose in the NPARSD are the Boards of Management (BoM) and the SGI, supported by the use of bilateral plans and LIPs. BoMs and the SGI are discussed later in this chapter, while bilateral plans and LIPs are discussed in Chapter 3.

2.9   The NPARSD's overall governance structure is comprised of a number of coordinating and governing bodies at the intergovernmental level as well as within the Australian Government. Coordinating bodies have also been developed within FaHCSIA to support implementation. This section describes the roles of COAG, whole-of-Commonwealth and FaHCSIA bodies in overseeing the NPARSD, as well as the roles of the Coordinator-General for Remote Indigenous Services (the Coordinator-General) and BoMs.

2.10   The NPARSD's governance structure is provided at Figure 2.1.

Figure 2.1

NPARSD governance structure
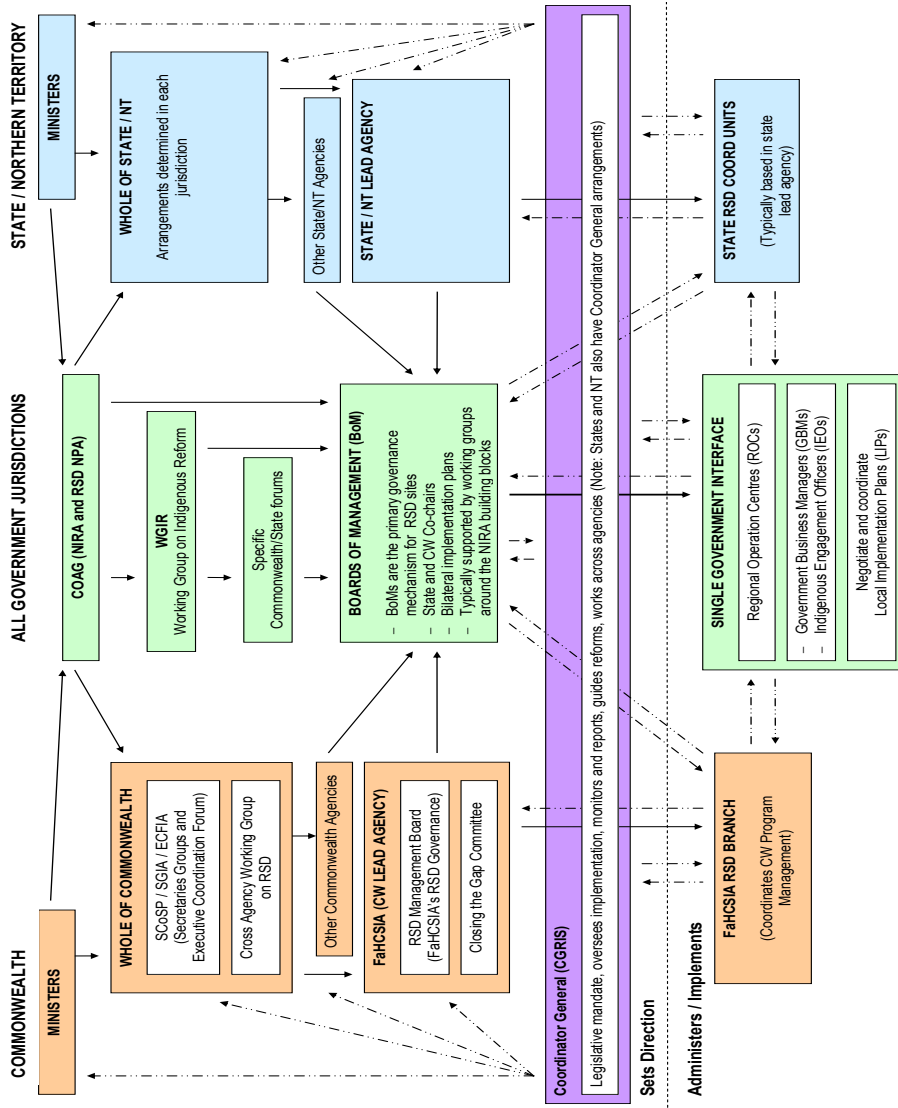
Source: FaHCSIA.

Note: Authority for decision-making is shown in solid lines. Informational and support roles are shown in broken lines. Solid lines imply an information flow in the other direction.

The role of COAG bodies in overseeing the NPARSD

2.11   As Figure 2.1 illustrates, the governance structure for the NPARSD comprises several interconnected groups. At the top of the governance structure is COAG and its Working Group on Indigenous Reform (WGIR). COAG is the peak intergovernmental forum in Australia, with the role of

initiating, developing and monitoring the implementation of policy reforms that are of national significance and which require cooperative action by Australian governments. It is chaired by the Prime Minister and attended by state premiers, territory chief ministers and the President of the Australian Local Government Association. COAG developed the NPARSD and monitors its progress on an ongoing basis through annual reporting arrangements.

2.12 The NPARSD is specifically overseen by WGIR, which was created by COAG in December 2007 to ensure the implementation of the Closing the Gap agenda. It is attended by the Commonwealth Minister for Indigenous Affairs and senior officials from FaHCSIA, the Department of the Treasury, the Department of the Prime Minister and Cabinet and a range of state/territory agencies. The WGIR undertakes work as directed by COAG and has an overarching interest in National Agreements, National Partnerships and other strategies contributing to the objectives and outcomes of the National Indigenous Reform Agreement (NIRA).

Boards of Management

2.13 The NPARSD provides for the development of bilateral implementation plans between the Australian Government and each state/territory signatory. The key governance mechanism established by the bilateral plans is the BoM[14], which is intended to be the primary coordination and governance mechanism in each state/territory. Responsible for managing the delivery of NPARSD activities in communities at a jurisdiction level, BoMs are multi-jurisdictional boards jointly chaired by the relevant FaHCSIA State Manager and chief executive of the state/territory government agency with responsibility for Indigenous affairs. Other members consist of various Australian Government and state/territory government agencies as well as the Australian Government Coordinator-General and state coordinators-general. The Northern Territory BoM also includes local government representatives.

2.14 BoMs are designed to facilitate intergovernmental collaboration and provide leadership and direction on priority issues of strategic importance to the achievement of NPARSD outcomes. They are tasked with providing whole-of-government support to ROCs, monitoring and reporting on the

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[14]   In Western Australia the Board of Management is known as the State Operations Committee. In New South Wales the Board of Management is known as the State Management Committee.

progress of LIPs, identifying risks to implementation and solving problems hindering timely implementation.

2.15 Discussions with a range of stakeholders indicated that the effectiveness and focus of each BoM varies. BoMs identified by stakeholders as effective, generally had a focus on strategic issues and regular attendance from senior government representatives. Where BoMs were considered less effective stakeholders identified the following characteristics:

- members unprepared for meetings;

- excessive focus on 'day-to-day' issues, rather than strategic issues;

- a misunderstanding over the BoM's role;

- membership fatigue; and

- inadequate senior representation to keep agencies accountable.

Coordinator-General for Remote Indigenous Services

2.16 The position of the Coordinator-General was not initially included in the NPARSD but COAG subsequently agreed to the creation of the Coordinator-General position in April 2009. The position of the Coordinator-General was established to 'remove bureaucratic blockages and ensure commitments by government agencies are delivered on time'.[15] In July 2009 the *Coordinator-General for Remote Indigenous Services Act 2009* established the statutory officer position of the Coordinator-General for Remote Indigenous Services. The legislation describes the functions of the Coordinator-General as being:

> to monitor, assess, advise in relation to, and drive:
>
> a) the development and delivery of government services and facilities in each of the specified remote communities to a standard broadly comparable with that in non-Indigenous communities of similar size, location and needs elsewhere in Australia, including through:
>
> > i) improvements to the coordination of the development and delivery of such services and facilities; and

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[15] Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon Jenny Macklin MP, House of Representatives, 27 May 2009.

> ii)   reforms to the development and delivery of such services and
>   facilities; and
>
> b)   progress towards achieving the Closing the Gap targets in the
>   specified remote communities.[16]

2.17   The functions of the Coordinator-General are distinct from, but relate
to, FaHCSIA's own responsibilities to implement and monitor the NPARSD.
The Coordinator-General is required to provide regular reports to the Minister
on progress being made in priority communities.[17] In addition to the statutory
Coordinator-General position, each state/territory has established a
coordinator-general position to liaise with the Coordinator-General.

Australian Government governance arrangements

2.18   Due to the involvement of multiple Australian Government
departments in delivering services to the priority communities involved, the
Australian Government has allocated various oversight roles to existing whole-
of-government committees. The Secretaries' Group on Indigenous Affairs
(SGIA) provides advice to the Indigenous Affairs Committee of Cabinet
regarding the Closing the Gap policy, and seeks to give direction across
government agencies in the development of policy advice and implementation
of programs.[18] It is chaired by the Secretary of the Department of the Prime
Minister and Cabinet and is attended by secretaries from a variety of agencies
with responsibilities in Indigenous affairs. In support, the Executive
Coordination Forum on Indigenous Affairs (ECFIA) provides advice to the
SGIA. It is chaired by the Secretary of FaHCSIA and attended by senior
representatives from a variety of agencies with responsibilities in Indigenous
affairs.

2.19   Finally, the RSD Cross Agency Working Group (CAWG) was
established as a forum for sharing information about the NPARSD's
implementation. Its membership is composed of the relevant Deputy Secretary
and senior officials from all Commonwealth agencies responsible for providing
programs and services to the NPARSD's priority communities.

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16   *Coordinator-General for Remote Indigenous Services Act 2009* (Cth) s 8.

17   The Coordinator-General's reports can be found at his website: www.cgris.gov.au

18   Figure 2.1 also identifies the Secretaries Committee on Social Policy (SCoSP) as part of the governance
      structure. SGIA was incorporated into SCoSP in late 2011.

Departmental governance arrangements within FaHCSIA

2.20   As the initiative's lead Australian Government agency, FaHCSIA has established three bodies within the department that provide governance for the NPARSD. At the highest level, FaHCSIA's Closing the Gap Committee aims to drive FaHCSIA business to ensure that it delivers on its responsibilities in relation to the Closing the Gap agenda. FaHCSIA advised that the committee provides strategic oversight of policy development in Indigenous affairs and monitors the implementation of COAG policies and strategies relevant to FaHCSIA. As a key program delivered by FaHCSIA, the NPARSD receives a high level of oversight from this committee. The Closing the Gap Committee is chaired by the Secretary of FaHCSIA and attended by senior representatives from within FaHCSIA.

2.21   The Remote Service Delivery Management Board (RSD Management Board) aims to provide high-level whole-of-agency oversight for the implementation of the NPARSD within FaHCSIA. The RSD Management Board meets on a monthly basis to review progress and situation reports, resolve cross-agency coordination issues and facilitate cross-jurisdiction coordination, facilitate the implementation of whole-of-government risk management strategies and monitor whole-of-government accountability arrangements including expenditure and reporting. It is chaired by the Remote Service Delivery National Coordinator, a Deputy Secretary of FaHCSIA, and attended by other senior representatives from within FaHCSIA.

2.22   Within FaHCSIA, responsibility for the implementation of the NPARSD was initially given to the Office of Indigenous Policy Coordination, before being transferred to the Indigenous Economic Development and CDEP Policy Branch in May 2009. In November 2009, the RSD Branch, specifically dedicated to the implementation of the NPARSD, was created and is responsible for establishing and maintaining program and project governance and assurance processes, risk management, issues management and program reporting. Following its establishment, the RSD Branch developed a suite of program management planning and governance documents (covered in more detail in Chapter 3).

2.23   FaHCSIA's Remote Service Delivery Branch (RSD Branch) undertakes actual implementation of the NPARSD and is responsible for establishing and maintaining program and project governance and assurance processes, risk management, issues management and program reporting.

Operational coordination arrangements

2.24   A key objective of the NPARSD is to contribute to improved coordination of government services in communities and to simplify access to services. To this end, the public face of the NPARSD's remote service delivery model within communities is the Integrated Planning and Service Delivery Mechanism also referred to as the Single Government Interface (SGI). At an overall level the NPARSD defines the Integrated Planning and Service Delivery Mechanism as the processes and structures for the Australian Government and state/territory governments to plan and deliver integrated services. The mechanism was to be augmented with 'senior champions' or 'business managers' who coordinate the delivery of commitments made by governments.

2.25   Government Business Managers (GBMs) and Indigenous Engagement officers (IEOs) are the government's representatives in each priority location and were first utilised as part of the Northern Territory Emergency Response (NTER) launched in 2007. All 15 Northern Territory priority communities are also prescribed communities under the NTER and have had GBMs and IEOs on-site prior to the commencement of the NPARSD. GBMs were also present in the Cape York priority communities prior to the NPARSD, as part of the Cape York Welfare Reform. GBMs were placed in the remaining priority locations between July and December 2009, and IEOs were placed between October 2009 and May 2010.

2.26   The aim of establishing the SGI was to simplify community interaction with governments, so that community members 'deal with one face of government, with no distinction between levels of government or between agencies across government.'[19] GBMs are intended to be the key liaison for community members, and act as the representative for the Australian Government and state/territory governments. GBMs are responsible for coordinating service delivery commitments made by governments in the community's LIP. IEOs assist the GBMs in their community engagement and liaison work. IEOs are Indigenous people recruited from within the local area and speak the local language. GBMs and IEOs are primarily employed by FaHCSIA with a small number being employed by the state/territory governments. Figure 2.2 illustrates the SGI structure and function.

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[19]   FaHCSIA, Program Management Model: Governance and Accountabilities, p.18.

Figure 2.2

The Single Government Interface

The Single Government Interface diagram showing a cycle: Community Capacity Development → Service Delivery Planning → Remote Indigenous Community (with Reference Groups, Age and gender cohorts, Traditional Owners, Other Cultural Affiliations) ← Engagement ← Regional Operations Centre (ROC) (GBM, IEO) → Community Participation & Utilisation of Services.

Source: FaHCSIA.

2.27 The SGI operates in a similar way to arrangements originally utilised in the Northern Territory Emergency Response (NTER). Under the NTER, a joint Australian and Northern Territory government operation centre was established and GBMs (and later IEOs) were appointed in the prescribed communities involved in the NTER.

2.28 The NPARSD required the Australian Government and the states to work together to establish the SGI, with both tiers of government required to provide dedicated staff. The SGI was intended to be established within six months of the bilateral plans being signed, with the ROCs to be established by October 2009 and GBMs on site by November 2009. ROC offices were established between June and September 2009, with GBMs onsite between July

and December 2009. IEOs commenced in communities from July 2009, and their recruitment has been ongoing.

Regional Operations Centres

2.29 Regional Operations Centres (ROCs) are offices in which co-located Australian and state/territory government staff are intended to work together to serve the priority locations. ROCs are to support locally based staff (GBMs and IEOs) in providing a single interface that simplifies service coordination and delivery. The main role of ROCs has been to negotiate and monitor LIPs. Six ROCs have been established to service the 29 priority locations. The ROCs are located in:

- Dubbo (serves the two New South Wales locations);

- Cairns (serves the Cape York priority communities in Queensland);

- Mount Isa (serves the Gulf of Carpentaria priority communities in Queensland);

- Broome (serves the four Western Australia locations);

- Adelaide (serves the two South Australia locations); and

- Darwin (serves the 15 Northern Territory locations).

2.30 To establish the ROCs, FaHCSIA created a project team to arrange physical offices and staff accommodation. ROC offices were established between June and September 2009, however some ROCs were not staffed by state/territory government officials until some time after the ROC was established. ROCs are predominantly managed by FaHCSIA, but the Dubbo ROC is managed by a state government officer and the Broome ROC is jointly managed by a FaHCSIA employee and a state government employee. Most ROC staff are employed by FaHCSIA officers. Table 2.1 provides details of the dates when ROCs were established.

Table 2.1

ROC establishment dates

ROC	Physical office established and staffed by the Australian Government	ROC staffed by both Australian and state/territory government staff
Dubbo	September 2009	September 2009
Cairns	September 2009	September 2009
Mount Isa	September 2009	March 2010
Broome	June 2009	June 2009
Adelaide	July 2009	June 2010
Darwin	August 2009	November 2009

Source: ANAO, based on data provided by FaHCSIA.

2.31   As Table 2.1 demonstrates, physical offices were established relatively early, but in some cases took much longer to be staffed by the states/territory. The relatively quick establishment of ROC offices was possibly due to all ROCs (except Darwin) being established within the offices of FaHCSIA's pre-existing Indigenous Coordination Centre offices. The use of existing Indigenous Coordination Centre facilities also extended to management of the Cairns and Mount Isa ROCs, with the Indigenous Coordination Centre Manager also managing the ROC. In Broome, the Indigenous Coordination Centre Manager is also a joint manager of the ROC. In South Australia, FaHCSIA's Deputy State Manager also manages the ROC.

2.32   Indigenous Coordination Centres are part of FaHCSIA's state office networks and are intended to provide local support for delivery of Indigenous programs and services. There are 29 Indigenous Coordination Centres located in urban, regional and remote areas across Australia. ROCs and Indigenous Coordination Centres serve similar purposes, however ROCs focus exclusively on NPARSD priority locations and co-locate state/territory government staff. FaHCSIA advised that ROCs were branded as separate entities to Indigenous Coordination Centres, in order to separate community impressions of Indigenous Coordination Centres from the new remote service delivery model, essentially providing a clean slate for community engagement.

Joint Australian-state government operations

2.33   Australian and state/territory government officers interviewed by the ANAO raised various issues about working as a single entity under the ROC structure. Issues included: communicating between levels of government; lines

of reporting; the mixture of Australian and state/territory government staffing numbers; and use of multiple IT systems.

2.34 The most common issue reported by ROC staff was that officers used their own jurisdiction's IT systems, which could not be accessed by officers from the other jurisdiction. This has created problems with information sharing. In response FaHCSIA introduced a shared IT platform in May 2010, known as ROCface, that aims to provide a common IT platform for all staff working on the NPARSD.

2.35 The NPARSD identifies that the Australian Government would bear two-thirds of the cost of the SGI, with the states responsible for the remaining one-third. Table 2.2 identifies ROC/SGI staff numbers by level of government.

Table 2.2

ROC staffing numbers

ROC	Australian Government staff	State/territory government staff	Total
Dubbo	11	3	14
Cairns and Mount Isa	13	7	20
Broome[a]	11	7	18
Adelaide	9	1	10
Darwin	15	3	18
Total	**59**	**21**	**80**

Source: ANAO, based on data provided by FaHCSIA.

Note a: The Australian Government figure includes 1.2 staff from the Department of Health and Ageing and 0.56 staff from the Department of Education, Employment and Workplace Relations.

2.36 As Table 2.2 illustrates, approximately 74 per cent of ROC staff are Australian Government employees, with almost all being FaHCSIA employees. Approximately 26 per cent of ROC staff are state/territory government employees, which would reflect about one-third of the cost of ROCs. However, most GBMs and IEOs are Australian Government (FaHCSIA) employees (approximately 50 staff), meaning that approximately 84 per cent of SGI staff are Australian Government employees. Staff costs are a large component of SGI expenditure and the Australian Government is supporting significantly more of these costs than was agreed in the NPARSD. Draft financial expenditure information for 2010–11 identified that the Australian Government contributed approximately 79 per cent of total SGI costs. Financial expenditure on the NPARSD is covered in more detail in Chapter 5.

2.37 The Northern Territory Government also operates a separate unit (the Service Delivery Coordination Unit) which performs a similar role to the Darwin ROC. The Service Delivery Coordination Unit is comprised of approximately 15 Northern Territory Government staff who coordinate projects associated with the NPARSD as well as the Northern Territory Government's Working Futures strategy. Much of Service Delivery Coordination Unit's work relates to negotiating land tenure arrangements in the 20 'Territory Growth Towns'. The growth towns are part of the Northern Territory's Working Futures strategy concentrating services and facilities in identified growth towns. All 15 priority communities in the Northern Territory are also designated growth towns.

Conclusion

2.38 The NPARSD is a complex cross-jurisdictional undertaking requiring the development of clear structures and arrangements to support its implementation. This includes within FaHCSIA, across jurisdictional boundaries, and in the communities involved. FaHCSIA gave early attention to the establishment of program arrangements within communities to support the SGI. This involved establishing jointly staffed ROCs, as well as recruiting and deploying staff into communities. To support coordination and decision-making with the states/territory, the establishment of joint BoMs was also an early priority.

2.39 Most responsibilities within the NPARSD have been classified as joint responsibilities, which emphasises the importance of developing a collaborative approach as FaHCSIA does not have explicit authority to direct other Australian and state/territory government agencies in their activities. BoMs and ROCs are the key mechanisms for working through cross-jurisdictional issues and making decisions about priorities in jurisdictions. While there have been some difficulties in establishing these arrangements, overall they have been effectively established and FaHCSIA has developed solutions to address operational issues that have arisen.

3. Cross-jurisdictional and local level implementation planning and priority setting

This chapter examines the Department of Families, Housing, Community Services and Indigenous Affairs' overall approach to implementation planning. The chapter also examines the implementation of two critical multi-jurisdictional planning processes: priority setting between the Australian and state/territory governments through bilateral planning and priority setting and delivery at the community level through the development of Local Implementation Plans.

3.1 Planning is critical to an agency's ability to successfully prepare for the implementation of an initiative, reducing the risk of delay and dilution of outcomes. Effective planning involves getting the implementation strategy, plan and design right prior to the commencement of time-critical implementation activities. It provides a map of how an initiative will be implemented, including:

- roles and responsibilities of all those involved in implementation;

- timeframes, including different phases of implementation;

- risk management

- resources; and

- monitoring and reporting requirements.

3.2 In the case of implementing cross-jurisdictional initiatives such as National Partnership Agreements, planning can also form a critical element of priority setting and active coordination, so that planning and delivery against agreed objectives become the means to drive coordination. Given its remote communities focus and its intent to promote a place-based approach, planning for the National Partnership Agreement on Remote Service Delivery (NPARSD) would also need to flow through to the local level.

FaHCSIA's overall planning

3.3 While the NPARSD commenced in January 2009, FaHCSIA did not receive the funding identified in the agreement until it was appropriated as part of the 2009–10 Budget announced in May 2009. The department's initial planning for the NPARSD focused on negotiating the bilateral plans and

developing the legislation for the Coordinator-General for Remote Indigenous Services' (the Coordinator-General) position, which was agreed subsequent to the Council of Australian Governments' (COAG's) agreement to the NPARSD. In May 2009, FaHCSIA developed an information pack for FaHCSIA state office managers and in June 2009 FaHCSIA developed a product flow diagram. Both these documents largely restated information already contained in the NPARSD. FaHCSIA also established a project team in July 2009 to set up the Single Government Interface (SGI).

3.4   It was not until the establishment of the Remote Service Delivery Branch (RSD Branch) in November 2009 that FaHCSIA turned its focus to developing planning documentation to support more detailed policy implementation. Many planning documents were drafted after a number of key outputs had been completed and FaHCSIA's internal audit of the NPARSD noted the timing of the development of the RSD Branch's planning documents gave a sense of 'backfilling'. The planning documentation developed by FaHCSIA is organised into two key frameworks: the Program Management Model and the RSD Blueprint. These are discussed in the following section.

Program Management Model

3.5   The Program Management Model brings together a range of guidance materials to support implementation. At the highest level of the Program Management Model is the Program Management Plan. The Plan provides a reference point, identifying implementation issues such as timeframes, budget, risk management, information technology needs and evaluation. Below the Plan are a number of strategy documents which provide more detail on issues identified in the Plan. These documents include a description of governance and accountability arrangements, and strategies for:

- communications;
- financial management;
- stakeholder management;
- information and communication technology;
- issues management;
- risk management;

- reporting; and

- evaluation.

3.6   Despite the NPARSD commencing in January 2009, and FaHCSIA commencing implementation of key elements of the agreement soon after, development of the Program Management Model did not commence until January 2010, with most of the documents not finalised until November 2011. FaHCSIA informed the ANAO that the complexity of the NPARSD's multi-jurisdictional arrangements and uncertainty over who should formally endorse the documents, affected their timely completion.

RSD Blueprint

3.7   FaHCSIA commenced the process of developing a blueprint for the NPARSD in March 2011. The purpose of the blueprint is to establish a common narrative for the NPARSD and formally document its strategic purpose and objectives, its operating model, its high-level operating model and its stakeholder engagement model. Some blueprint documents have been developed, including a logic frame (identifying the NPARSD's key objectives and outcomes and matching these with their key outputs), a timeline and the governance diagram provided at Figure 2.1. Development of the remaining items for the blueprint, including formalisation of the operating model, are currently being undertaken in partnership with a consultant.

3.8   The NPARSD is a complex initiative with a high level of resource demands. Its profile as an innovative delivery model, its multi-agency and jurisdictional delivery features and its ambitious objectives pose a level of risk for the initiative. In such situations, the early development of strong program implementation arrangements and robust guidance for all parties is a central aspect of controlling delivery risk. Acknowledging the complexity of NPARSD arrangements, it is nonetheless the case that three years into a six-year initiative some key program documents remain unfinished.

Bilateral planning arrangements with jurisdictions

3.9   As service delivery to Indigenous communities is usually shared between multiple levels of government, coordination is necessary to maximise effectiveness and reduce duplication. In this respect, a key feature of NPARSD planning, implementation and coordination arrangements is the bilateral plan.

3.10   The requirement for bilateral plans between the Australian Government and individual states is a common element in many of the

Council of Australian Governments' (COAG) intergovernmental agreements. The purpose of the bilateral plans was to formalise how the Australian Government and each jurisdiction would work together to achieve the objectives of the NPARSD. The NPARSD required the bilateral plans to be completed within three months of the signing of the agreement, making the completion date 27 April 2009. Bilateral plans were also required to be reviewed annually.

3.11   In addition to the timeframe for completion, the NPARSD required bilateral plans to identify:

- priority locations for delivery of the new remote service delivery model;

- performance indicators and benchmarks as well as milestone times for achieving benchmarks; and

- funding to be provided by each jurisdiction.

Development and negotiation of bilateral plans

3.12   Bilateral plans were to be signed by the Commonwealth Minister for Families, Housing, Community Services and Indigenous Affairs and the minister responsible for Indigenous affairs in each state/territory. While agreement of the bilateral plans was at the ministerial level, negotiation of content was primarily undertaken between FaHCSIA and relevant state/territory government officials. Within FaHCSIA, negotiation was undertaken by the Office of Indigenous Policy Coordination, which had responsibility for the NPARSD initiative prior to the creation of a dedicated RSD Branch in November 2009.

3.13   FaHCSIA developed a template for bilateral plans which was structured around the elements of the NPARSD. Under each identified element the following information was required:

- its aim;

- who is responsible for implementation;

- strategies for implementation;

- planned timeframes;

- performance benchmarks; and

- estimated cost.

3.14 Bilateral plans were agreed with the relevant states between August 2009 and March 2010. Annual reviews of each bilateral plan were undertaken in 2010–11, but as of February 2012, only the Northern Territory BoM had completed its 2011–12 annual review.[20] All bilateral plans were appropriately structured around high-level outputs of community engagement, baseline mapping, establishing the Single Government Interface (SGI), developing LIPs, reporting, and risk management. The bilateral plans follow the template guidance of identifying aims, responsibilities, strategies, timeframes and benchmarks. However, as discussed below, the adequacy of performance benchmarks was mixed and no bilateral plan identified funding commitments by the Australian or state/territory governments. The selection process for priority locations was also not well explained in most plans.

Community selection

3.15 The NPARSD proposed 26 remote locations for the initial implementation of the new remote service delivery model. The final locations were to be subject to further negotiation with the relevant states, but the NPARSD indicated that locations should include:

• the 15 larger major works communities in the Northern Territory already identified for investment under the Strategic Indigenous Housing and Infrastructure Program;[21]

• four locations in the Cape York and Gulf regions in Queensland;

• three locations in Western Australia, with at least two locations in the Kimberley;

• two locations in the Anangu Pitantjatjara Yankunytjatjara Lands in South Australia; and

• two remote locations in the Murdi Paaki region in western New South Wales.

3.16 The NPARSD intended that priority locations would be agreed between the Australian Government and the states/territory as part of the bilateral plan negotiations. Apart from the above list the NPARSD does not

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[20] FaHCSIA advised that the South Australia and New South Wales bilateral plans have now been reviewed.

[21] The Strategic Indigenous Housing and Infrastructure Program is the Northern Territory component of the National Partnership Agreement on Remote Indigenous Housing.

provide guidance or criteria for agreeing on the initial priority locations, however any additional locations were to be selected in accordance with Schedule B of the NPARSD: Principles taken into account in deciding sequencing. These principles prioritise areas that:

- have already been subject to significant reform efforts that can be readily built upon and that have demonstrated a willingness to participate in the change process, supported by strong leadership;

- are prepared to participate in steps to rebuild social norms, for example, welfare reform or alcohol management measures;

- have labour market opportunities and potential for corporate investment/partnerships and business development;

- have the capacity to be developed and utilised as a service hub with linkages with smaller communities and homelands; and

- have capacity of service supply, taking into account existing local service providers and location to support incoming services (for example, availability of built facilities and staff housing).

3.17 To aid the selection of communities, FaHCSIA and the relevant states developed a set of criteria to assess potential locations. The criteria, as outlined by the Minister, were:

- significant concentration of population;

- anticipated demographic trends and pressures;

- potential for economic development and employment;

- extent of pre-existing shortfalls in government investment in infrastructure and services; and

- potential to build on other significant investment already in progress or on community-based initiatives.[22]

3.18 A total of 33 locations were considered as potential priority communities. During the course of negotiations with the relevant states, the number of priority locations was increased from 26 to 29. The increase was due to the addition of two Cape York (Queensland) communities and one Western

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[22] Minister for Families, Housing, Community Services and Indigenous Affairs, The Hon Jenny Macklin MP, John Curtin Institute of Public Policy address, Perth, 21 April 2009.

Australian community. A list of the priority locations selected is provided in Appendix 1.

3.19 In Queensland, the number of Cape York communities was increased from two to four, in order to include all the communities participating in the Cape York Welfare Reform trials already in progress. While there would be some benefits in ensuring that conditions for the Cape York Welfare Reform trials were standardised by having all four communities also subject to the NPARSD, the community of Mossman Gorge is not classified as a remote or very remote location (it is classified as outer regional).

3.20 In assessing the selection of priority locations, the ANAO noted that little documentation existed to demonstrate that the selection process was quantifiably based on the established selection criteria. Few alternative communities to those selected were considered in the assessment process. Most of the priority locations selected were discrete Indigenous communities, while those non-discrete locations selected had an Indigenous population of more than 50 per cent.

3.21 Priority locations were agreed between relevant governments and announced in April 2009, prior to bilateral plans being finalised. While 29 locations are identified, these locations cover more than 29 communities, owing to some priority locations covering wider areas. For example, the Western Australia bilateral plan identifies 'Fitzroy Crossing and surrounding communities' as a priority location, and the Walgett LIP also covers two smaller nearby communities: Namoi and Gingie reserves.

Performance indicators, benchmarks and milestones

3.22 The NPARSD required bilateral plans to identify performance indicators, benchmarks and milestones. The definition of performance indicators and benchmarks is clearly defined in the Intergovernmental Agreement on Federal Financial Relations (IGAFFR), to which the NPARSD is subject. The intergovernmental agreement defines a performance indicator as:

> Data which informs the community about how governments are progressing towards achieving the objectives, outcomes and outputs.[23]

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[23] Intergovernmental Agreement on Federal Financial Relations, Schedule A.

3.23   A performance benchmark is defined as:

> A quantifiable change in a performance indicator, usually expressed in respect of a period of time – for example, an X per cent increase in X by 20XX. Where necessary to inform the community, performance benchmarks should be few in number, high-level and reflect the highest order, most challenging goals toward attainment of outcomes.[24]

3.24   The definitions emphasise that performance indicators should focus on the achievement of objectives, outcomes and outputs. However, the NPARSD, has defined performance indicators as 'indicators used to monitor the progress towards achievement of the activities as specified in the relevant implementation plans'[25]. The bilateral plans provide intended milestone dates for various outputs, which could be categorised as performance indicators. For example, most bilateral plans identify a performance indicator as completion of LIPs along with a target date. However, performance indicators for measuring the higher level objectives and outcomes are limited, and benchmarks for such indicators are not provided. For example, the New South Wales bilateral plan identifies the 'performance benchmark' for engaging with communities as 'high level of satisfaction in the Aboriginal Community with engagement by government'.[26] While this could be considered a performance indicator, it is not a benchmark and provides no information to identify a quantifiable change.

3.25   It would not have been practicable for governments to develop a definitive list of location-specific performance indicators and benchmarks for each community at the bilateral plan stage. Communities had not at that stage been consulted about performance indicators and may have wished to use unique performance indicators. Further, benchmarks cannot be established without reference to a baseline, something the subsequent baseline mapping exercise was to provide. However, it would have been reasonable to expect that governments could agree on a core set of performance indicators to be measured in all priority locations, with the understanding that benchmarks could be set, and additional location-specific indicators and benchmarks developed, during LIP negotiations.

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[24]   ibid.

[25]   NPARSD, paragraph 12(d). The ANAO noted that 'activities' are not explicitly identified in the NPARSD.

[26]   Implementation Plan for National Partnership Agreement on Remote Service Delivery between the Commonwealth of Australia and the State of New South Wales, p.5.

3.26 High-level objective and outcome performance indicators were not developed at the bilateral plan stage. FaHCSIA stated that the need to include performance indicators and benchmarks in bilateral plans was superseded by the development of LIPs. However, as discussed further in this chapter, the first iteration of LIPs also do not include performance indicators and benchmarks.

Funding

3.27 The NPARSD is an agreement between the Australian Government and relevant states/territory to commit a combined $291.2 million in funding. The financial details of this commitment are outlined in the NPARSD, which identifies the funding committed to the key elements of the model by the Australian Government and the relevant states.[27]

3.28 The NPARSD recognised that jurisdictions (including the Australian Government) may have provided significant additional funding toward various elements identified in the NPARSD since December 2007, and that because of this, not all of the funding committed by the jurisdictions may be 'new money'. To take account of this eventuality, the National Partnership Agreement stipulated that all new money provided by jurisdictions was to be identified in the bilateral plans. The NPARSD stipulated that any 're-profiling' of funding across the various elements should be set out in the agreed bilateral plans, with the proviso that there is 'no diminution of any jurisdiction's total funding commitment'.[28]

3.29 None of the bilateral plans identify new money committed by the Australian or state/territory governments. Re-profiling of funding has also not been identified in any bilateral plan. FaHCSIA informed the ANAO that all Australian Government money ($187.7 million) is new money, and that funding details were not included in bilateral plans due to priority being placed on finalising the bilateral plans in a timely manner while maintaining productive working relationships with the relevant states/territory. Bilateral planning documentation maintained by FaHCSIA does not support an assessment of whether funding commitments have been made in accordance

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[27] The table provided in the NPARSD identifies combined state figures only. A statement is made later in the NPARSD that the distribution between the states would be broadly proportional to the number of agreed locations in each jurisdiction.

[28] NPARSD, paragraph 35.

with the specific requirements of the NPARSD, and FaHCSIA does not monitor this.

Development of Local Implementation Plans

3.30   A Local Implementation Plan (LIP) is a signed agreement between governments and a community, agreeing on what actions will be taken to improve service delivery. The NPARSD requires LIPs to be developed for each priority location and that they be developed in consultation with community members and other parties (such as non-government organisations and business/industry partners). LIPs are intended to be based on needs identified in baseline mapping reports and by community members and stakeholders. More specifically, the NPARSD requires LIPs to agree service delivery priorities, targets, actions and associated milestones. FaHCSIA's website also notes that government agencies will commit to resources and timeframes for actions identified in the LIPs. Community-specific performance indicators and benchmarks were also required to be developed as part of the LIP negotiation process, along with publicly available annual reports on performance indicators.

3.31   The NPARSD identified that drafting of the LIPs was to commence upon completion of baseline mapping reports, a planned date of November 2009 (FaHCSIA's baseline mapping process is discussed further in Chapter 4). The NPARSD does not identify when LIPs should be completed. At a multi-jurisdictional workshop held in October 2009, FaHCSIA discussed the possibility of completing LIPs by 24 December 2009, however completion dates were later negotiated as part of bilateral plans. Each bilateral plan (except Western Australia's) identifies a target date for completing LIPs. Completion dates ranged between December 2009 and June 2010. FaHCSIA informed the ANAO that the Coordinator-General strongly advocated that LIPs be completed by 30 June 2010. Depending on the number of priority locations within a given jurisdiction, the Australian Government and states planned to complete LIPs in between one and seven months.

3.32   Formal negotiations with all priority communities commenced between October 2009 and May 2010.[29] As of March 2012, 24 of the 29 LIPs had been signed. The average time taken to negotiate signed LIPs was nine months, with

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[29]   LIP negotiations in the four Cape York priority communities commenced in 2008–09 as part of the Cape York Welfare Reform arrangements.

the shortest LIP negotiation taking three months and the longest negotiation taking more than two years. The Cape York communities of Coen, Hopevale and Mossman Gorge, and the Northern Territory communities of Nguiu (Wurrumiyanga) and Maningrida are yet to sign a LIP, but FaHCSIA advise that LIPs have been developed for all priority locations. LIPs not yet signed have been under negotiation for more than two years.

LIP negotiation process

3.33 ROC Managers were generally responsible for negotiating LIPs, with other agencies engaged when action items related to their operations were discussed. Limited guidance was developed by FaHCSIA to inform the negotiation process, other than the development of a LIP template. A decision was made at a national forum, held in October 2009, that each jurisdiction's Board of Management (BoM) and ROC would develop their own place-based LIP negotiation processes and templates. The Coordinator-General also provided advice to BoMs on his expectations for the development of LIPs, including engagement.

3.34 The LIP template was structured around the seven Closing the Gap building blocks[30] and suggested that for each building block there should be:

- contextual information about the importance of the building block, the community's views and agreed views on action required;

- high-level statements about what the stakeholders are trying to achieve (for example, children are born healthy);

- relevant baseline information and targets (for example, baseline and target data for the proportion of children with low birth weight);

- community-identified priority areas for the building block (for example, increasing access to, and use of, antenatal care by young mothers);

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[30] The seven Closing the Gap building blocks are early childhood, schooling, health, economic participation, healthy homes, safe communities, and governance and leadership.

- actions to address the priority (for example, provision of a dedicated antenatal nurse), along with details of the responsible agency/organisation and the timeframe for completion of the action item; and

- performance indicators for identified priorities, including baseline and target measures.

3.35   While ROCs were not bound by the template, all LIPs followed the general format of developing priorities and action items under the Closing the Gap building blocks. Some LIPs contain additional building blocks, depending on the priorities of the community. For example, the Halls Creek LIP includes a building block dedicated to land, language and culture, and the communities of Angurugu and Umbakumba have included building blocks for planning and infrastructure, and youth, sport and recreation.

3.36   LIP negotiations generally centred on identifying priorities for each community and then actions to address those priorities (known as action items). Communities raised issues and proposed actions which were then taken to agencies that would be responsible for implementing the proposed actions. Agencies then usually came back to communities with what they could offer a community. All agencies were required to 'sign-off' on any action item they would be responsible for. The action items identified in LIPs were to be 'firm commitments', however the result was that the action items finally agreed in the LIPs were often less ambitious than what communities had originally anticipated. FaHCSIA consider this to have positive elements, as the LIPs did not contain unrealistic promises to communities. Action items are discussed further in the LIP content section below.

3.37   Once negotiations were completed, LIPs were signed by the responsible Australian Government and state/territory government agency or minister, as well as members of the community representative group/s. Queensland and Northern Territory LIPs were also signed by a representative of the relevant shire council. The signing of LIPs was often undertaken as part of a signing ceremony. Due to the availability of signatories, there was a number of instances where LIP negotiations had concluded some months prior to the actual signing of the LIP.

LIP content

3.38   Two key content requirements for the LIPs were the identification of priorities and actions, and the development of performance indicators and

benchmarks. The development of priorities and action items were a central focus of LIP negotiations. Action items were intended to identify the services/infrastructure required and how they will be delivered. More specifically, action items were to identify the responsible agency's resource commitment and detailed timeframes for each action item. All LIPs identify a range of action items, but many did not include details about resources and timing. It was rare for responsible agencies or organisations to identify resource commitments for action items. Timeframes for action items were usually provided; however, only 63 per cent of action items had agreed commencement dates and only 69 percent had agreed completion dates.

3.39   The NPARSD required LIPs to include location-specific performance indicators and benchmarks. ANAO's analysis of LIPs indicates that location-specific performance indicators and benchmarks were not included in any LIP. However, Northern Territory LIPs identify some generic output indicators for each Closing the Gap building block. FaHCSIA advised that tight timeframes for developing LIPs, precluded the inclusion of performance indicators and benchmarks in the first iteration of the LIPs, however future iterations of LIPs are intended to include performance indicators and benchmarks. The measurement of community-level performance is discussed further in Chapter 5.

Action items

3.40   The core focus of all LIPs is the action items. Action items cover a range of commitments which are generally the responsibility of the Australian Government and state/territory governments to deliver. Action items are usually commitments to provide services (for example, drivers' licence training or specialist health services), infrastructure (for example, a child care centre or staff housing), or to undertake some form of planning, research or review activity (for example, a community safety plan or a feasibility study into establishing a birthing centre). Action items can also relate to commitments made by the relevant community, such as encouraging children to attend school. There are over 3800 action items, including those drafted for the five communities yet to formally sign a LIP.

3.41   Two general observations about action items can be made. First, a large proportion of action items are commitments to undertake planning, research or review activities as opposed to commitments to provide services or infrastructure. Second, many of the action items are identical (or at least so similar in wording as to be the same in practice) across priority communities

within the same jurisdiction with more limited inclusion of matters unique to particular individual communities.

3.42 FaHCSIA have established a classification system of six categories for action items:

- Business as usual: continuation of ongoing programs, goods or services.

- Concrete deliverable: delivery of new programs, goods or services. For example, new infrastructure.

- Develop, plan and test with clarity of process: developing, processing and testing how tasks (with identified actors) will be undertaken and how they will proceed in the future. For example, undertaking an audit of an existing program or a scoping study for a possible new service.

- Develop, plan and test with no clarity of process: developing, processing and testing how tasks (without identified actors) will be undertaken and how they will proceed in the future. For example, a mapping exercise with no clear outcome.

- Values, aspirations and behaviours: actions that express values, aspirations and behaviour-based changes. For example, community members encouraging children to attend school.

- Needs further information: action requires further clarification.

3.43 A breakdown of the number and proportion of action items by type is provided in Table 3.1.

Table 3.1

Number and proportion of action items by classification

Action item classification	Number	Proportion (per cent)
Business as usual	366	10
Concrete deliverable	1189	31
Develop, plan and test with clarity of process	1292	34
Develop, plan and test with no clarity of process	647	17
Values, aspirations and behaviours	239	6
Needs further information	75	2
Total	**3808**	**100**

Source: ANAO, based on data provided by FaHCSIA.

3.44 Table 3.1 illustrates that, across all the priority communities, action items were most commonly classified as develop, plan and test with clarity of process (34 per cent), followed by concrete deliverable (31 per cent), develop, plan and test with no clarity of process (17 per cent), business as usual (10 per cent), and values, aspirations and behaviours (6 per cent). Two per cent of action items required further information.

3.45 The ANAO examined a sample of nine LIPs (containing 1467 action items), drawn from the jurisdictions visited as part of the audit (New South Wales, South Australia and the Northern Territory), and classified action items into one of the four following classifications:

- provision of infrastructure;

- provision of a service (whether it be a new or existing service);

- planning, research or review activity; and

- community commitment.

3.46 A summary of the ANAO's analysis and classification of the sample is provided in Table 3.2.

Table 3.2

Analysis of a sample of action items

Action item classification	Number	Proportion (per cent)
Provision of infrastructure	157	11
Provision of a service	572	39
Planning, research or review activity	635	43
Community commitment	103	7
Total	**1467**	**100**

Source: ANAO, based on data provided by FaHCSIA.

3.47 Table 3.2 illustrates that the most common action items were for commitments to undertake some kind of planning, research or review activity (43 per cent), followed by commitments to provide a new or existing service (39 per cent) and infrastructure (11 per cent). Community commitments made up seven per cent of action items.

3.48 Stakeholders generally identified that such a large proportion of action items were commitments to undertake planning, research or review activities because service delivery agencies were already working to constrained budgets and did not receive additional funding for the NPARSD initiative. As

a result many agencies could not offer a firm commitment to provide new services or infrastructure. Stakeholders acknowledged that priority communities should be a focus for government expenditure on initiatives aimed at Closing the Gap in Indigenous disadvantage, but due to the budgetary environment, if additional money was allocated to a priority community it may be at the expense of other, possibly more deserving or needy, communities.

3.49 In analysing the LIPs, the ANAO observed considerable overlap with action items across priority locations within the same state/territory. For example, 96 per cent of the action items in the South Australian LIPs of Amata and Mimili were the same, or so similar in wording that they could be considered the same. Examples of identical action items include conducting health checks on children prior to commencing school, developing an evidence-based school attendance strategy, and establishing a cross-agency working group to case manage clients with mental health issues.

Review and renegotiation of LIP content

3.50 LIPs are living documents and are intended to be regularly reviewed and action items updated as circumstances warrant or new priorities emerge. As with the devolution of LIP processes, responsibility for developing processes for renegotiations has been handed to the BoMs. The Northern Territory ROC developed processes for the conduct of future LIP negotiations, which were provided to the Northern Territory BoM in January 2011 for approval. Some other jurisdictions have since adopted similar processes. Future revisions to LIPs are intended to be done on an as-needed basis, with the intention that public versions of the LIPs will be updated on a regular basis. FaHCSIA advised that LIP renegotiations/revisions have commenced in a number of communities across South Australia, Western Australia, Queensland and the Northern Territory.

Conclusion

3.51 The delivery of initiatives across multiple jurisdictions requires a high level of planning to effectively deliver on complex implementation commitments. While FaHCSIA gave early attention to implementing cross-jurisdictional arrangements such as the SGI, it was slow to develop its own internal management arrangements. Initially, responsibility (and funding) for implementing the elements of the NPARSD was delegated to a range of functional areas in the department with limited oversight or coordination. It

was almost a year after the commencement of the partnership that FaHCSIA created a dedicated branch focused on overseeing the delivery of the Australian Government's responsibilities under the NPARSD. FaHCSIA did not finalise much of its program management documentation until November 2011, almost halfway through the initiative's life span. The department has also experienced difficulty in readily compiling accurate financial data in relation to program expenditure. Timely implementation of core program elements is a relevant focus, however appropriate implementation guidance should ideally be established as quickly as possible to facilitate consistent implementation.

3.52 The development of bilateral plans, negotiated between the Australian Government and the individual states and the Northern Territory, was an important mechanism to formulate and agree priorities for action under the NPARSD. In agreeing the NPARSD, COAG established several requirements for the bilateral plans. The plans were required to identify the priority locations for RSD sites in each jurisdiction, identify proposed new expenditure by the states and the Northern Territory, include relevant performance information and be completed by April 2009. The plans were accepted by FaHCSIA and met the requirements of identifying priority locations, but no plan identified any new proposed expenditure. Generally, performance information was not well developed and all plans were finalised between four and eleven months after the original deadline.

3.53 LIPs are a core element of the remote service delivery model proposed under the NPARSD. These were to be based on community needs and negotiated with communities. LIPs were also developed as a way of prioritising and coordinating government activity in communities so as to reduce duplication and fill gaps in service delivery, and in this respect were to identify priorities, targets, resources and timeframes for the delivery of agreed action items. Action items can be commitments to provide services (for example, drivers' licence training or specialist health services), infrastructure (for example, a child care centre or staff housing), or to undertake some kind of planning, research or review activity (for example, a community safety plan or a feasibility study into establishing a birthing centre). Action items can also relate to commitments made by the relevant community, such as encouraging children to attend school.

3.54 As at March 2012, 24 out of 29 LIPs had been agreed and various consultation structures had been developed in different jurisdictions. LIPs are being used to identify services being provided, or committed to, by

government agencies at both the Australian Government and state/territory government level, but the plans generally contain limited details on timing and funding for implementing the action items. In total, over 3800 action items have been identified across all plans, many of which are similar across communities within jurisdictions. More than half (51 per cent) of all action items were focused on processes such as developing plans or testing the viability of services. Commitments to provide 'concrete deliverables', such as new services or infrastructure, made up 31 per cent of action items. Stakeholders generally attributed the lower number of service and infrastructure action items to tight budgetary conditions. Given the fact that fewer new services were committed to in LIPs than originally intended, achieving the NPARSD's objective of contributing to increasing the range of services delivered to Indigenous families will be difficult under the current timeframes of the NPARSD.

4. Developing service delivery in communities

This chapter examines the Department Families, Housing, Community Services and Indigenous Affairs' work in developing baseline mapping reports as well as the delivery of measures designed to support the remote service delivery model.

Introduction

4.1   The key objectives of the National Partnership Agreement on Remote Service Delivery (NPARSD) in relation to the provision of service delivery included contributing to improving the access to a full range of services to be broadly consistent with non-Indigenous comparison communities. In order to meet this objective, FaHCSIA needed to develop an evidence base for the range and standard of services that existed in priority communities and benchmark these against an appropriate comparison community.

4.2   Further, the NPARSD also recognised that improving service delivery was not just a function of changes to government operations, but would also be influenced by investments in the leadership and governance capacity of individuals and organisations within communities. The importance of making these investments is reflected more broadly in the National Indigenous Reform Agreement service delivery principles, in particular the sustainability principle, which highlights the value of building the capacity of both Indigenous people and of services to meet the needs of Indigenous people. Other relevant principles include the engagement and accountability principles.

4.3   This chapter examines FaHCSIA's activities in developing the evidence base and benchmarks through the baseline mapping process. The chapter also examines progress by FaHCSIA in implementing the supporting measures: outside of the funding allocated under the NPARSD for the Single Government Interface (SGI), the funding committed for building community leadership and governance capacity is the next largest element of the agreement, with a total of $67.7 million committed, $45.1 million of which was Australian Government funding.

Conduct and utilisation of baseline mapping

4.4   Under the NPARSD, the Australian Government, through FaHCSIA, was responsible for developing the baseline mapping reports which were to underpin the NPARSD service delivery model. The purpose of the baseline mapping reports was to build an evidence base to inform negotiation of LIPs and eventually assess improvements in service delivery. Data was to be collected about each priority location from all three levels of government and the non-government sector, with baselines to identify social and economic indicators, government investments, services and service gaps in each location.

4.5   The NPARSD required that baseline mapping commence on completion of bilateral plans (April 2009) and be completed within one month of the SGI being established (November 2009), giving FaHCSIA seven months to complete baseline mapping reports for the priority locations.

The mapping process

4.6   FaHCSIA commenced preparatory work on the baseline mapping in April 2009, following the announcement by the Australian Government of the priority locations for the NPARSD. To discuss data needs and mapping processes, FaHCSIA held a baseline mapping workshop with agencies in June 2009. From this a methodology paper for the mapping process was developed and provided to jurisdictions in September 2009. Following further consultations, jurisdictions endorsed the methodology in November 2009. The methodology paper discusses the scope of services to be mapped, the geography of areas to be mapped, community involvement, methodological considerations, and the division of mapping work. FaHCSIA contracted government institutes, such as the Australian Institute of Health and Welfare and the Australian Institute of Criminology, as well as private consultants to collect the information required for the baseline mapping reports.

4.7   Data collection commenced in September 2009, and draft baseline mapping reports were prepared for all priority locations and provided to Australian and state/territory government agencies in March 2010. A number of government agencies raised concerns about the accuracy of some of the data contained in the reports and also voiced privacy concerns relating to the possibility that individuals would be identifiable due to the small populations analysed. Following further consultation with stakeholders the baseline mapping reports were finalised between June and October 2010, 11 months later than originally planned.

4.8   The services examined in the baseline mapping reports cover five broad areas:

- municipal and essential services;

- education;

- health, aged care, disability and child protection services;

- police and justice; and

- transport, emergency services, social security and welfare, employment and youth services, recreation and culture, and Australia post services.

4.9   Most communities were provided with presentations on the content of the baseline mapping reports following their finalisation. However, due to the timing of their completion, finalised baseline mapping reports were not utilised to inform the negotiation of the LIPs, although plans were informed by draft baseline information.

4.10   The baseline mapping reports are large documents that cover a wide range of material and provide for the collection of information and assessment of the levels and types of services provided in different communities. Capturing the information FaHCSIA did was a significant achievement as the information is central to developing evidence-based responses to improving service delivery in remote communities. However, FaHCSIA faced a number of issues in developing the baseline mapping reports, which are discussed below.

Comparison communities and service standards

4.11   One of the objectives of the NPARSD is to contribute to:

> rais[ing] 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.[31]

4.12   In order to establish a baseline measurement of the standard and range of services delivered in a priority location it is first necessary to identify a comparative non-Indigenous community. Comparing infrastructure and services between communities posed many challenges for FaHCSIA. The first

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[31]   NPARSD, paragraph 15(b).

major challenge was identifying a comparative non-Indigenous community for each priority location.

4.13 The concept of service equality is strongly emphasised in the NPARSD and by the Australian Government Minister for Families, Housing, Community Services and Indigenous Affairs. Service equality was identified as a defining measure of the NPARSD's success:

> Our benchmark will be to progressively deliver in communities or townships the facilities and services you would expect in any Australian town of the same size.[32]

4.14 Both the NPARSD objective and the Minister's statement highlight the importance of population and location in identifying a comparison community, however the NPARSD also identifies a third aspect for comparison: need. The outcomes section of the NPARSD provides a more detailed explanation of the intended aim of new service delivery model, which is to contribute to:

> Standards of service and infrastructure to be comparable with non-Indigenous communities of similar size, location and need elsewhere in Australia.[33]

4.15 Identifying non-Indigenous communities of a similar size, location and need as the NPARSD's priority locations has a range of challenges. Remote Indigenous communities vary in their combination of size, location and need. Comparably sized and located non-Indigenous communities are predominantly mining or tourist locations, which do not have the same population characteristics or needs as remote Indigenous communities and have the benefit of existing economic activity.

4.16 FaHCSIA's methodology paper considered developing a number of 'benchmark' or 'notional' communities to serve as comparison communities, but this was not seen as optimal due to differences in state government service allocation. Ultimately, FaHCSIA negotiated with state/territory governments to identify a relevant comparison community (or multiple comparison communities in the case of the Northern Territory) for each priority location. The selection of comparison communities was based on jurisdictional location (that is, comparison communities were to be located in the same state/territory

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[32] Minister for Families, Housing, Community Services and Indigenous Affairs, The Hon Jenny Macklin MP, John Curtin Institute of Public Policy address, Perth, 21 April 2009.

[33] NPARSD, paragraph 16(a).

as the priority location), population size and remoteness. However, FaHCSIA advised that the states/territory governments later raised concerns about utilising comparisons with non-Indigenous communities as the primary means of identifying service issues in priority communities.

4.17 The comparison communities adopted were often shared across priority locations within the same jurisdiction. For example, both South Australian priority locations utilise the same comparison community (Elliston), four of the six Queensland priority communities use Winton as their comparison community, and all 15 Northern Territory communities identify Alyangula and/or Jabiru as comparison communities.[34] A list of the comparison communities is provided at Appendix 2.

Service standards

4.18 The NPARSD was established to implement a new remote service delivery model that would clearly identify service standards, roles and responsibilities, and service delivery parameters to ensure that Indigenous Australians living in selected priority locations would receive and actively participate in services to close the gap in Indigenous disadvantage.

4.19 A key challenge that was faced by FaHCSIA was that for many types of services, standards did not exist. In the absence of established service standards FaHCSIA negotiated a set of service standards for municipal and essential services but this was not done for other services such as education.[35] FaHCSIA advised that it would not have been possible to negotiate service standards for all services as part of the baseline mapping project because it would have taken too long to agree these between all the jurisdictions involved.

4.20 Municipal and essential service standards were negotiated with jurisdictions and were based on a mixture of existing national and jurisdictional specific standards and guidelines. This work resulted in the development of a set of 'base level standards' and reliability measures for 14 municipal and essential service functions.

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[34] The Northern Territory communities of Wadeye, Maningrida and Galiwinku also identify Nhulunbuy as a comparison community.

[35] The baseline mapping reports also rated educational facilities as satisfactory or unsatisfactory, however the ratings were based on the judgment of visiting consultants and not on agreed standards.

4.21   All baseline mapping reports, except Halls Creek,[36] identified whether the municipal and essential functions available in the priority location exceeded, met, or failed base level standards and reliability measures. The baseline mapping reports for priority locations in New South Wales, Queensland, South Australia and Western Australia (except Halls Creek) also assessed comparison communities against the 14 municipal and essential service functions.

4.22   Analysis of municipal and essential service data demonstrates the mixed level of service standards in remote Indigenous communities. Figure 4.1 provides an illustration of the percentage of priority locations meeting base level standards for municipal and essential services.

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[36]   FaHCSIA advised that material was collected for Halls Creek, but was inadvertently deleted. FaHCSIA advised that the material has been re-inserted into the baseline mapping report. However, it is not included in the analysis contained in this audit report.

Figure 4.1

Percentage of priority locations meeting base level standards for municipal and essential services
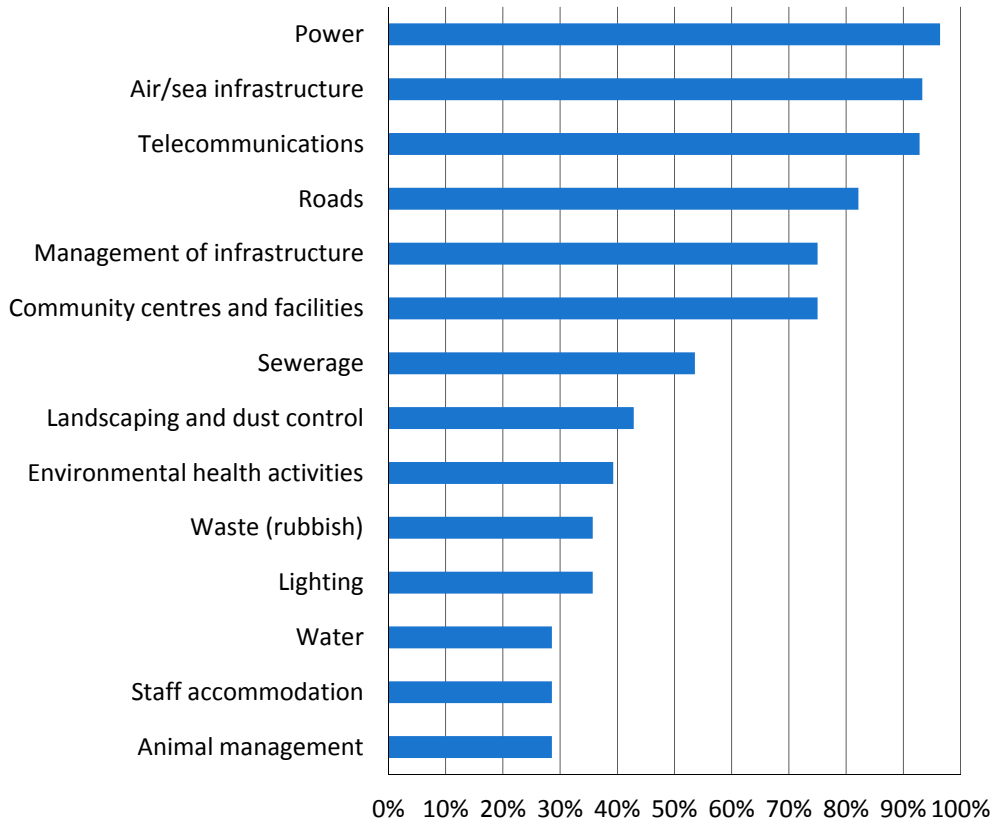
Source: ANAO analysis of FaHCSIA's baseline mapping reports.

4.23   As Figure 4.1 illustrates, most priority communities met base level standards for power, air/sea infrastructure and telecommunications. Approximately half of the priority communities met the base level standard for sewerage services, and less than a third of communities met the base level standards for water, staff accommodation and animal management services. New South Wales communities performed the best, with Walgett meeting base level standards in all 14 categories (the only priority community to do so). Northern Territory communities performed the poorest, with seven of the priority communities failing base level standards in more functions than they met.

4.24   While many priority communities did not meet base level standards in a range of functions, figures show that some comparison communities did not

meet base level standards for lighting, animal management and staff accommodation functions. Figure 4.2 illustrates the percentage of comparison communities meeting base level standards for municipal and essential services where the data was available in the baseline mapping reports.

Figure 4.2

Percentage of comparison communities meeting base level standards for municipal and essential services[37]
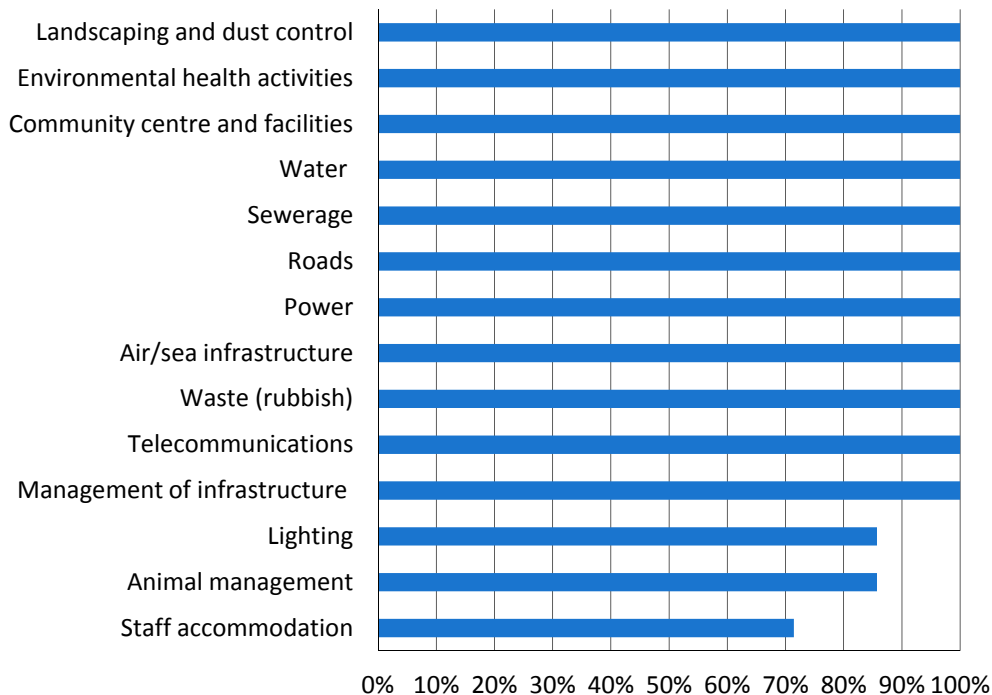
Source: ANAO analysis of FaHCSIA's baseline mapping reports.

4.25 When the municipal and essential service standards in priority communities were compared to their respective comparison communities, the priority community of Fitzroy Crossing fared the best, with all 14 functions being rated as equal to that of its comparison community (Wyndham). The priority communities of Walgett and Doomadgee also compared well with their relevant comparison community. Walgett services were equal to, or better than, those in its comparison community of Nyngan in 13 of the 14 functions.

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37   Figure 4.2 includes base level standard data provided for the comparison communities of Nyngan, Collarenebri, Winton, Georgetown, Marble Bar, Wyndham and Elliston.

Doomadgee was equal to its comparison community (Winton) in 11 of the 14 functions. The South Australian communities of Amata and Mimili fared the worst, with Amata's services ranking below that of its comparison community (Elliston) in 11 of the 14 functions and Mimili ranking below its comparison community (also Elliston) in 9 of the 14 functions. Figure 4.3 illustrates how municipal services in priority locations compared with municipal services provided in comparison communities.

Figure 4.3

Municipal services comparison
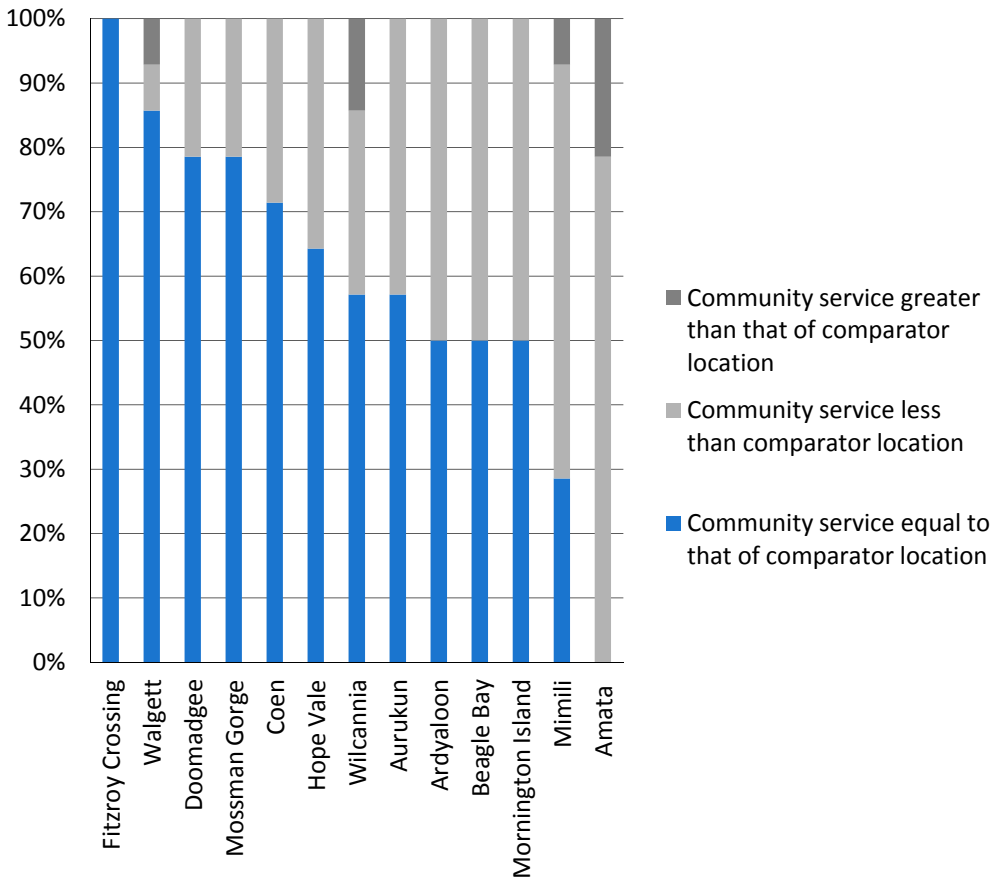
Source: ANAO.

4.26   To address the lack of standards for other services, FaHCSIA consulted the Commonwealth Grants Commission, who advised FaHCSIA to use service systems and funding formulae, where they existed, to inform baseline mapping. This meant that, where service standards did not exist, FaHCSIA would instead analyse the level of funding provided for a particular service

and compare it to any pre-existing funding formula for that service. The limitation of this method is that it can only be done where funding formulae exist. A further limitation of this method is that assessing funding levels only provides information on financial inputs and does not necessarily provide any information on the quantity or quality of services provided.

4.27 While the ANAO recognises that there are difficulties in establishing clear service standards, they are a requirement of the NPARSD, and are necessary benchmarks for assessing performance. FaHCSIA have recently undertaken work in conjunction with the Office of the Coordinator-General for Remote Indigenous Services to develop a service standards framework which will identify what services priority communities could reasonably expect to receive. Such a framework would aid the negotiation of subsequent LIPs and provide benchmarks for assessing improvements in service delivery.

Social and economic indicators

4.28 While the NPARSD required baseline mapping to collect social and economic indicators for each priority location, it provides little detail on what social and economic indicators should be mapped. Given that the NPARSD is intended to contribute towards achieving the Closing the Gap targets, it would also be reasonable to expect that FaHCSIA would seek to collect data related to the targets as part of its baseline mapping process.

4.29 FaHCSIA developed a list of 81 social and economic indicators that it proposed to collect as part of the baseline mapping process. The list included a mix of contextual and performance indicators and is provided in Appendix 4. The indicators were developed in consultation with various Australian and state/territory government agencies, along with other expert bodies such as the Productivity Commission, Australian Bureau of Statistics and the Australian Institute of Health and Welfare. FaHCSIA stated that it attempted to utilise existing data frameworks, such as the Overcoming Indigenous Disadvantage framework.[38]

4.30 FaHCSIA also attempted to align its indicators with the indicators used by COAG (in the NIRA) to assess performance against the Closing the Gap targets. However, as the Closing the Gap targets (and associated performance

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[38] The Overcoming Indigenous Disadvantage framework provides the basis for measuring progress against key indicators of Indigenous disadvantage as reported in the *Overcoming Indigenous Disadvantage: Key Indicators* report developed by the Productivity Commission.

indicators) are measured at the national and jurisdiction level, most were not transferrable to the community-level data collected as part of baseline mapping. The ANAO found that 11 (41 per cent) of the 27 performance indicators identified in the NIRA were addressed in FaHCSIA's 81 social and economic indicators. Similarly, 16 (20 per cent) of FaHCSIA's 81 indicators are the same as or related to the 27 NIRA indicators. FaHCSIA indicated that the number of indicators measured was limited to the community-level data available. Performance measurement is discussed further in Chapter 5.

Government investments, services and service gaps

Government expenditure in priority locations

4.31 The NPARSD requires the identification of government expenditure in each selected priority location. The expenditure to be identified was to include expenditure by all levels of government on both services and infrastructure. Analysis of the baseline mapping reports indicated that government expenditure was reported for a limited number of services and infrastructure, and total government expenditure was not calculated for any priority location. FaHCSIA advised that calculating expenditure at the community level was 'very difficult if not impossible'.

4.32 The difficulty in calculating total government expenditure by community is that relevant data often does not exist. In many cases, services are funded at the regional level, making attribution to the community level difficult; in other cases financial expenditure information is not available at the community level. FaHCSIA also considers that knowing how much money is spent on a service is of little real value when viewed in isolation from details about the quality of the service.

Services and service gaps

4.33 Service mapping consists of two main processes. First, the total government services provided in a priority location need to be identified. Second, the services identified in the priority location then need to be compared to those available in a comparison community (or identified standards of service, in the case of municipal and essential services) in order to identify any gaps between the two. The NPARSD intended that once the baseline mapping reports had identified service gaps, they would be addressed as part of LIP negotiations with the community.

4.34 FaHCSIA collected a large amount of information about the services available in priority locations, but it provided more limited analysis of service

gaps between priority locations and comparison communities. FaHCSIA did utilise data on funding allocations in an attempt to highlight possible gaps in some services, however, as previously discussed, information on funding and expenditure provides little insight into the quality of services.

4.35 FaHCSIA stated that due to the unique history, strengths and challenges of each community it would not be valid to make strong comparisons about service needs with comparison communities, although this is a key underlying concept of the NPARSD. Some analysis of gaps between priority locations and comparison communities is available in the baseline mapping reports, particularly in the municipal and essential service sections (discussed previously), and the 'service snapshot' sections.

4.36 The service snapshot provides details of facilities (both public and private) available in the priority community and comparison community. However, the service snapshot does not provide details on the quality of the services provided. Overall, FaHCSIA stated in all its baseline mapping reports that any comparison data was 'largely used as an extra reality check'. With service gap data not fully informing LIP negotiations, less attention has been given to the service equality aims of the NPARSD during the first three years of the agreement. In the absence of this analysis, it will be challenging for FaHCSIA to advise the Government whether this aspect of the NPARSD is being achieved or that satisfactory progress is being made.

Ongoing use of baseline mapping reports

4.37 As discussed, the baseline mapping reports were intended to be a major source of information about priority locations and provide a baseline for assessing future progress. While the baseline mapping reports have a number of gaps, they can be built on and utilised to assess progress in improving service delivery. FaHCSIA informed the ANAO that it does not intend to repeat the baseline mapping process. Instead, FaHCSIA intends to update key elements of baseline mapping, such as changes in social and economic indicators. As the NPARSD has an explicit aim of improving the range, standard and accessibility of services available in remote communities, an appropriate way of determining whether the NPARSD has improved service delivery would be to assess the services in each community at regular intervals. To do this FaHCSIA could make use of other approaches such as a survey or audit to obtain any information on any changes in services.

Recommendation No.1

4.38 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: Agreed

Implementation of supporting community development measures

Cultural competency training

4.39 The NPARSD requires that cultural competency training be delivered to all government employees involved with priority locations. Generally, at the Commonwealth level, cultural awareness training is the responsibility of each agency. FaHCSIA has a cultural appreciation training program that is available, but not compulsory, for all its staff. FaHCSIA have also recently developed the Local Community Awareness Program, designed to strengthen the capacity of ROC staff to engage effectively with community members. FaHCSIA stated that it intends that all Australian Government SGI staff receive cultural awareness training, while state/territory governments are responsible for providing their SGI staff with cultural awareness training. Due to cultural awareness training being provided by individual agencies, no jurisdiction (including the Australian Government) is able to provide a consolidated picture on whether all government staff involved with priority communities have undergone some form of cultural competency training.

Community governance capacity and leadership training

4.40 The NPARSD aims to improve the level of governance and leadership within Indigenous communities and Indigenous community organisations. To do this, governments committed $67.7 million to undertake capacity building activities in communities. The level of funding provided for governance and leadership is second only to that provided for establishing the SGI. The Australian Government's contribution to governance and leadership development is $45.1 million with the relevant states contributing $22.6 million.

4.41 FaHCSIA has delivered governance and leadership workshops to community members at the request of ROCs. The workshops consisted of presentations and facilitated group exercises. Workshops included general information about the NPARSD as well as modules from FaHCSIA's pre-existing Indigenous Leadership Program. Workshops were delivered in groups of between 7 and 36 participants, and have been held in New South Wales, Queensland, South Australia and the Northern Territory. In 2009–10, ten workshops were held, training a total of 212 participants. In 2010–11, 14 workshops were held, training a total of 178 participants.

4.42 Internal and external stakeholders identified that governance capacity and leadership activities have not performed as expected, given the level of funding provided for it in the NPARSD. Developing community capacity is a complex undertaking that requires consideration of the interrelated aspects of capacity. Importantly, as noted in the ANAO's Audit Report No.26 2011–12, *Capacity Development for Indigenous Service Delivery*, international development experience suggests that effective capacity development requires more than just training. Further, the most successful approaches are systematic with a long-term outlook, flexible and suited to the circumstances or context, and address capacity at multiple levels. During the course of this audit FaHCSIA transferred the responsibility for governance and leadership activities to another group within the department.

Translation services

4.43 The NPARSD provides $38.6 million to strengthen interpreter and translation services and introduce a national framework for the supply and use of Indigenous language interpreters and translators. The Australian Government committed $19.8 million to cover the cost of the national framework and half the costs associated with providing interpreters and translators in priority locations. The states committed to funding the other half of the cost of providing interpreters and translators in priority locations.

4.44 FaHCSIA established the Remote Service Delivery Interpreter Program to distribute the $18.9 million committed by the Australian Government for provision of interpreter services in priority locations. Under the program, funding allocations are assigned to ROCs, generally for engaging interpreter service providers on a 'fee for service' basis. Funding under the program was to be used for NPARSD consultations with Indigenous priority communities and development of service providers.

4.45 FaHCSIA commenced work on a national framework in late 2009, conducting research throughout 2009 and 2010. In November 2010, FaHCSIA engaged Centrelink to conduct a feasibility study to determine what is required to establish a national Indigenous interpreter service comparable to that provided to speakers of international languages in Australia. Centrelink found that there is a national need for Indigenous interpreter services and that there is a shortage of accredited interpreters.

4.46 A draft National Indigenous Interpreters Framework was developed in May 2011. The framework aims to increase the supply of qualified Indigenous language interpreters and to stimulate the demand for, and use of, interpreters by governments and service providers. As of February 2012, the framework had not been finalised. FaHCSIA advised that development of the national framework has taken longer than expected due to complex issues associated with building an industry sector from a low base.

Conclusion

4.47 Delivering the remote service delivery model required the implementation of a series of elements within a set of interrelated timeframes. Central to the concept of improving the service delivery model in remote communities was the need to develop a clear evidence base identifying existing services and service gaps in each community. Under the sequential model proposed by the NPARSD, the level of existing services in any given community would be compared to an identified comparator community and governments would negotiate with communities to identify service improvement priorities, having regard to the baseline mapping and the level of services available in comparator communities. In this respect, the robustness of LIPs was dependent on the prior completion of baseline mapping and the identification of appropriate service standards and existing expenditure.

4.48 Baseline mapping took longer than expected and while it generated a significant level of information about services in each of the priority communities, the baseline mapping reports did not provide the level of detail needed to fully compare the standard and range of services between priority and comparison communities, except in the case of municipal services. Although the Australian and relevant state/territory governments agreed to the design of the NPARSD, including the benchmarking of services and infrastructure against comparable non-Indigenous communities, FaHCSIA advised that the states/territory governments later raised concerns about utilising comparisons with non-Indigenous communities as the primary means

of identifying service issues in priority communities. Accordingly, more limited attention was given to this aspect of baseline mapping. Having invested time and resources into the development of the baseline mapping reports, it is important that the information collected is used as a baseline to assess any future improvements in service delivery.

5.   Performance assessment and reporting

This chapter examines the monitoring arrangements used to assess the National Partnership Agreement on Remote Service Delivery's achievements. It also examines the financial cost of the program.

Introduction

5.1   Performance monitoring enables agencies and stakeholders to assess progress in implementing an initiative, identify problems and review ongoing relevance and priority. The audit assessed the Department of Families, Housing, Community Services and Indigenous Affairs' (FaHCSIA) monitoring and evaluation arrangements, compliance with its formal reporting requirements, as well as the approach to performance monitoring more generally. In particular, the audit examined whether performance monitoring arrangements enable the measurement of the National Partnership Agreement on Remote Service Delivery's (NPARSD) five objectives as well as any contribution the NPARSD may make to the Closing the Gap targets in priority communities. Lastly, the audit analysed the financial expenditure on the NPARSD.

Monitoring and evaluation

5.2   The NPARSD initiative is subject to reporting requirements outlined in both the Intergovernmental Agreement on Federal Financial Relations (IGAFFR) and the NPARSD itself. Under the *Coordinator-General for Remote Indigenous Services Act 2009* (CGRIS Act), the NPARSD is also subject to monitoring by the Coordinator-General for Remote Indigenous Services (the Coordinator-General). Table 5.1 summarises the reporting requirements from these three sources.

Table 5.1

NPARSD reporting requirements

Report	Description	Source of requirement	Frequency
Reports required of FaHCSIA:			
NPARSD annual report to the Council of Australian Governments	Australian Government report to the Council of Australian Governments on the implementation of the NPARSD.	NPARSD	Annual
Joint annual report	Joint Commonwealth-state/territory annual report on progress against performance indicators identified in each Local Implementation Plan.	NPARSD	Annual
Annual evaluation	Identification of impacts, benefits and changes as a result of NPARSD.	NPARSD	Annual
Statements of expenditure	The Australian Government and the states/territory provide clear statements of expenditure in each priority location.	NPARSD	Once
Reports required of other parties:			
Council of Australian Governments Reform Council report	Report on the contribution the NPARSD makes to the National Indigenous Reform Agreement's progress in Closing the Gap in Indigenous Disadvantage.	IGAFFR	Annual
State report card	State/territory report to the Australian Government against performance indicators, completed baseline mapping and timelines, as detailed in the Local Implementation Plans.	NPARSD	Annual[a]
Coordinator-General report	Report on progress, in each location, in providing comparable services and in Closing the Gap.	CGRIS Act	Six-monthly

Source: ANAO.

Note a: The first report card was due after six months, after that report cards were due annually.

5.3   In addition to the formal reporting requirements identified in Table 5.1, FaHCSIA has established a number of other reporting mechanisms for monitoring the NPARSD initiative. FaHCSIA's reporting framework identifies 29 separate NPARSD reporting requirements (including the seven reporting requirements identified in Table 5.1) as well as a further 24 reports developed by other agencies which relate to the NPARSD in some way. FaHCSIA and other Single Government Interface (SGI) staff are also requested to provide additional reports and briefs to stakeholders on an ad hoc basis.

5.4 The ANAO observed that the most common monitoring activities, after the formal reporting requirements, related to the status of action items agreed to in each community's Local Implementation Plan (LIP) and issues related to the delivery of the NPARSD service delivery model in priority locations. Progress on action items was originally monitored through quarterly LIP progress reports, but during the course of the audit FaHCSIA progressively introduced an automated reporting tool, known as LIPtracker, to improve the monitoring of action items. Community-level issues not directly related to action items were monitored via monthly situation reports and summary reports to the Remote Service Delivery Management Board (RSD Management Board), but are in the process of being replaced by another automated reporting tool, known as Issuestracker.

5.5 The use of automated monitoring tools like LIPtracker and Issuestracker is an example of better practice, as they allow for real-time monitoring and action on items. However, the audit noted some relatively minor implementation issues around the level of access stakeholders had, how much detail should be entered, and when and by whom issues should be considered as resolved or completed.

5.6 FaHCSIA officers, from both the national office and Regional Operations Centres (ROC), raised concerns about the reporting burden associated with the NPARSD. While there are many reporting obligations for the NPARSD, a large proportion of these are driven by internal reporting mechanisms or requests from other stakeholders, rather than from formal reporting requirements. As such, there may be scope for FaHCSIA, in consultation with other stakeholders, to review the level and frequency of internal reporting.

FaHCSIA's compliance with the NPARSD's reporting requirements

5.7 FaHCSIA is responsible for ensuring compliance with the Australian Government's NPARSD reporting requirements, particularly annual reports to the Council of Australian Governments (COAG), joint annual reports on LIP performance indicators, annual evaluations and the statements of expenditure. Annual reports to COAG were to be provided in January of each year, commencing in January 2010. FaHCSIA advised that following a COAG Senior Officials Meeting in December 2010, it was agreed that the annual report to COAG would be provided in September of each year. Annual reports were provided to COAG in February 2011 and April 2012. FaHCSIA indicated that

no COAG meetings were held in 2011 after the month of September, and that the reports were provided at the first meetings after September.

5.8 The Australian Government and relevant states/territory were required to provide publicly available joint annual reports on progress against the performance indicators in each LIP. The first versions of the LIPs did not include performance indicators, so annual reports on them have not been completed. FaHCSIA have advised that future iterations of the LIPs will include community-level performance indicators and it has provided BoMs and ROCs with a 'menu' of possible indicators to include in LIPs. As of February 2012, only the Northern Territory had endorsed a set of 17 indicators to be measured across all 15 of its priority communities.[39]

5.9 The NPARSD requires an annual evaluation of progress. The development of an evaluation strategy commenced in August 2010 and was finalised in March 2011, more than two years after the commencement of the NPARSD. In January 2012, three years following the commencement of the NPARSD, FaHCSIA called for tenders for the first annual evaluation.

Measuring progress towards the NPARSD's objectives

5.10 The Intergovernmental Agreement on Federal Financial Relations (IGAFFR) commits the Australian Government and state/territory governments to enhancing accountability through simpler, standardised and more transparent public performance reporting. In particular, the Intergovernmental Agreement establishes a set of principles for public accountability and performance reporting which require performance reporting to assist the public in assessing the governments' progress against agreed objectives, outcomes and outputs.

5.11 FaHCSIA's report to COAG, the COAG Reform Council report and the Coordinator-General reports all provide differing amounts of information on the achievement of the NPARSD's outputs, such as completion of baseline mapping reports and LIPs. However, it is not possible from these reports to gauge substantive progress towards achieving the NPARSD's objectives, which are to contribute to:

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[39] FaHCSIA advised that indicators have subsequently been developed for Western Australia and other jurisdictions will follow.

- 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.

5.12 The COAG-endorsed Conceptual Framework for Performance Reporting, which provides guidance on performance reporting for intergovernmental agreements like the NPARSD, advises that performance assessment can be made through developing and monitoring high-level performance indicators which link to outcomes identified in National Partnership Agreements.[40] These outcome indicators should describe progress towards the achievement of agreed objectives. No performance indicators have been agreed for the NPARSD nationally, at the jurisdictional level (in bilateral plans), or at the community level (in LIPs), with the exception of the Northern Territory. FaHCSIA advised that it provided BoMs with a 'menu' of possible indicators to include in future LIPs, but as of February 2012 only the Northern Territory had endorsed a set of 17 indicators to be measured across all 15 of its priority communities. As a result, FaHCSIA is not in a position to report whether service delivery in priority communities is improving as a result of the NPARSD.

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[40] The NPARSD's outcomes are: a) standards of services and infrastructure are to be comparable with non-Indigenous communities of similar size, location and need elsewhere in Australia; b) clear roles and responsibilities are identified with all levels of government working together; c) community organisations deliver government services that meet relevant legislative requirements and are accountable to their constituents and funding bodies; d) improved access to services for Indigenous people in remote locations to support the achievement of COAG targets, ensuring it is simpler to negotiate government services for Indigenous Australians, easier for Indigenous Australians to engage government services and that user-friendly services are provided to Indigenous Australians by government; e) better coordinated, consistent and connected services and more highly developed capacity in Indigenous communities; f) enhanced workforce planning including the development of local skills and a stable local workforce.

5.13   The evaluation strategy for the NPARSD identifies that the summative evaluation of the NPARSD will 'assess the overall impact of the RSD NPA on outcomes achieved for Indigenous Australians in the 29 communities'.[41] However, the evaluation strategy does not identify how, or if, an assessment of progress toward achieving the NPARSD's objectives in relation to service delivery will be made. If an evaluation is to assess the success of the NPARSD, it will need to include quantifiable measurement of the range, standard and accessibility of services in priority communities. For example, FaHCSIA could analyse the performance of priority communities in relation to municipal and essential service functions, based on the established base level standards and level of services available in the relevant comparison community. The results could then be compared to data collected during the baseline mapping process. Any quantifiable improvements could be used to infer achievement of the NPARSD's service delivery objectives. However, to provide a comprehensive assessment, data relating to functions other than municipal and essential services would also need to be collected.

5.14   Stakeholders interviewed generally believed that there had been an improvement in conditions and services in priority communities since the commencement of the NPARSD. Many stakeholders interviewed attributed improvements to the governments' increased engagement with the communities through the SGI and the LIP negotiation process.

The NPARSD's contribution to Closing the Gap

5.15   The NPARSD is one of six Indigenous-specific National Partnership Agreements identified in the NIRA that aim to contribute to Closing the Gap in Indigenous disadvantage. FaHCSIA has not developed a comprehensive approach to collecting data to inform an assessment of whether, and how, the NPARSD would contribute to any of the Closing the Gap targets, noting in its baseline mapping reports that it is not possible to report on all six COAG targets in each priority location because some aspects, such as life expectancy and infant mortality, cannot be measured at a community level. FaHCSIA indicated in the baseline mapping reports that this was not an issue of data availability, but rather a conceptual issue, for example the number of deaths in a small location in any one period would be too small to produce reliable

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[41]   FaHCSIA, National Partnership Agreement Program Management Model: Final evaluation, performance indicators and reporting strategic framework, March 2011, p.6.

estimates. FaHCSIA have subsequently advised that there is no possibility of obtaining or analysing data at a community level for indicators such as life expectancy at birth and infant mortality.

5.16   FaHCSIA has also advised the ANAO that only three of the six Closing the Gap targets, and approximately one-third of the NIRA Closing the Gap indicators can be measured at the community level. More broadly, FaHCSIA has informed its Minister that:

> Significant gains across the 29 priority locations will not have any significant effect on the progress towards the targets nationally.[42]

5.17   Given the limitations of measuring Closing the Gap targets at the community level, the limited impact that gains in the priority communities will have on the overall Closing the Gap targets, and the intention to expand the number of communities participating in the NPARSD approach,[43] FaHCSIA will need to review its approach to demonstrating the impact and effectiveness of the NPARSD and advise Government accordingly. The planned evaluation presents an opportunity to analyse progress and develop realistic expectations of what the NPARSD itself can achieve in relation to Indigenous disadvantage.

Financial cost of the NPARSD initiative

5.18   Monitoring financial performance and tracking expenditure are core activities of effective program management. The NPARSD provides a commitment of $291.2 million from the Australian Government and relevant states to implement the proposed remote service delivery model. The Australian Government's total contribution of $187.7 million is allocated to FaHCSIA as departmental funding under Program 7.4: Indigenous Capability and Development of its Portfolio Budget Statements. Funding was allocated over six years (2008–09 to 2013–14) and was first identified in the 2009–10 Budget announced in May 2009. Table 5.2 provides the annual breakdown of FaHCSIA's budget allocation for the NPARSD.

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[42]   FaHCSIA brief, 19 August 2011, Remote Service Delivery Implementation Mini Stock-take August 2011.

[43]   While the 29 RSD locations are considered the first tranche and the NPARSD provides scope for the roll out of the NPARSD measures in further locations, governments have not made a formal decision about expansion of the NPARSD at this stage.

Table 5.2

Annual breakdown of FaHCSIA's budget allocation for the NPARSD

Year	Amount ($ million)
2008–09	24.4
2009–10	31.2
2010–11	32.4
2011–12	33.4
2012–13	32.5
2013–14	33.8
Total	**187.7**

Source: Department of Finance and Deregulation.

5.19 Of FaHCSIA's $187.7 million budget, $166.8 million is provided for operational expenditure. The remaining $20.9 million, included in the 2008–09 budget allocation of $24.4 million, is classified as capital funding for expenditure over the life of the NPARSD. FaHCSIA advised the ANAO that over the first three financial years that funding was provided for the NPARSD (2008–09 to 2010–11), it had spent approximately $78.7 million of the allocated budget of $88 million and that surplus funds were used to offset higher expenditures in other FaHCSIA programs. While the NPARSD allows for the re-profiling of funds, the agreement stipulates that there should be 'no diminution of any jurisdiction's total funding commitment'.[44] Given FaHCSIA's lower than budgeted expenditure to date, it will need to expend larger amounts in the remaining three years in order to meet the Australian Government's financial obligations under the NPARSD, or renegotiate those commitments.

Expenditure on key elements of the NPARSD

5.20 Under the NPARSD, the Australian Government and the relevant states/territory are required to provide clear statements of expenditure in each priority location 12 months 'after implementation'.[45] The NPARSD did not prescribe the type of expenditure to be included in the statements, and FaHCSIA advised that a sub-group of the Working Group on Indigenous

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[44] NPARSD, paragraph 35.

[45] ibid., paragraph 29.

Reform (itself a cross-jurisdictional working group reporting to COAG) agreed that the statements would only report against funds committed under the NPARSD. As of May 2012, statements of expenditure had not been finalised and remain in draft. The draft statements of expenditure prepared only cover the 2010–11 financial year, as FaHCSIA considered that this represented the first full 12 month period after formal signing of most LIPs. As such, detailed expenditure data is not available for earlier years.

5.21 The draft statements of expenditure report each jurisdictions' (including the Commonwealth) expenditure by NPARSD element, for each priority community. The reporting of expenditure by NPARSD element is useful in providing visibility of the efforts of each jurisdiction to implement its commitments under the agreement. However, in a number of cases expenditure data has been calculated at the jurisdiction or ROC level, with community level expenditure calculated by apportioning higher-level data across the priority communities. Preparing an expenditure statement for only one financial year of a five and a half year agreement does not allow for future analysis of expenditure across the whole initiative.

5.22 Based on the draft expenditure figures available for 2010–11, the average annual cost of providing the NPARSD's remote service delivery model is approximately $2.1 million per community. The Australian Government's share of this cost is approximately $1.4 million per community, which mostly consists of expenditure on the SGI. However, FaHCSIA advised that the draft figures may differ to those in the statements of expenditure once finalised. The annual cost of the initiative per community is comparable with the budget identified in the NPARSD. The NPARSD identified a budget of $291.2 million over five and a half years which was to be used to deliver the remote service delivery model in 26 communities. Based on the NPARSD budget figures, the average annual cost of providing the remote service delivery model was expected to be approximately $2 million per community. The Australian Government's share of the average annual cost was expected to be approximately $1.3 million per community.

Conclusion

5.23 The NPARSD was designed to make significant improvements in the way Indigenous people receive and participate in government services. As a result of the implementation of the NPARSD, access to a full range of suitable services was to be achieved, and further, these services were to be broadly consistent with services provided for other Australians in similarly sized and

located communities. At an overall level, COAG identified that as a result of these improved services, the NPARSD would, along with other initiatives that supported the NIRA, contribute to Closing the Gap in Indigenous disadvantage. FaHCSIA has monitored the delivery of the partnership's outputs and reported to COAG on these. FaHCSIA has also developed an online tool to monitor progress in delivering on action items identified in Local Implementation Plans. Difficulties in identifying service standards and comparator communities, and measuring change at the community level have left FaHCSIA with limited opportunity to objectively measure the changes effected as a result of the implementation of the remote service delivery model.

5.24 The current annual cost of providing the NPARSD initiative is approximately $2.1 million per community, with the provision of the SGI making the largest proportion of that expense. While limited quantitative assessment can be made of progress towards the partnership's objectives and outcomes, FaHCSIA has made use of qualitative information collected within communities and advises that communities are observing positive changes in engagement with government as a result of the NPARSD.

Ian McPhee   Canberra ACT

Auditor-General   19 June 2012

Appendices

Appendix 1:   Priority locations

Priority location	2006 Census population	2006 CHINS population	ARIA classification	Distance from nearest major centre
New South Wales:				
Walgett	1734	N/A	Remote	281km from Dubbo
Wilcannia	595	N/A	Remote	583km from Dubbo
Queensland:				
Aurukun	1052	1150	Very Remote	900km from Cairns
Coen	254	N/A	Very Remote	576km from Cairns
Hope Vale	766	1500	Remote	367km from Cairns
Mossman Gorge	144	184	Outer Regional	75km from Cairns
Doomadgee	1052	2000	Very Remote	600km from Mount Isa
Mornington Island	991	1100	Very Remote	700km from Mount Isa
Western Australia:				
Ardyaloon	213	450	Very Remote	220km from Broome
Beagle Bay	199	186	Very Remote	117km from Broome
Fitzroy Crossing	927	N/A	Very Remote	398km from Broome
Halls Creek	1211	N/A	Very Remote	686km from Broome
South Australia:				
Amata	320	340	Very Remote	500km from Alice Springs
Mimili	281	300	Very Remote	645km from Alice Springs
Northern Territory:				
Angurugu	809	1210	Very Remote	650km from Darwin
Galiwin'ku	1700	1700	Very Remote	550km from Darwin
Gapuwiyak	886	900	Very Remote	540km from Darwin
Gunbalanya	880	900	Very Remote	330km from Darwin
Hermannsburg (Ntaria)	559	550	Very Remote	130km from Alice Springs
Lajamanu	669	600	Very Remote	560km from Katherine
Maningrida	2068	2000	Very Remote	400km from Darwin
Milingimbi	894	900	Very Remote	440km from Darwin
Nguiu (Wurrumiyanga)	1263	1250	Remote	70km from Darwin

Priority location	2006 Census population	2006 CHINS population	ARIA classification	Distance from nearest major centre
Ngukurr	918	980	Very Remote	320km from Katherine
Numbulwar	673	700	Very Remote	400km from Katherine
Umbakumba	347	350	Very Remote	700km from Darwin
Wadeye	1628	2000	Remote	270km from Darwin
Yirrkala	686	800	Very Remote	650km from Darwin
Yuendumu	685	1150	Very Remote	290km from Alice Springs

Source: ANAO.

Appendix 2: Comparison communities

Priority community	Comparison community / communities
New South Wales:	
Walgett	Nyngan
Wilcannia	Collarenebri
Queensland*:*	
Aurukun	Winton
Coen	Georgetown
Hopevale	Winton
Mossman Gorge	Georgetown
Doomadgee	Winton
Mornington Island	Winton
Western Australia:	
Ardyaloon (Bardi Jawi region)	Marble Bar
Beagle Bay	Marble Bar
Fitzroy Crossing	Wyndham
Halls Creek	Wyndham
South Australia:	
Amata	Elliston
Mimili	Elliston
Northern Territory:	
Angurugu	Alyangula Jabiru
Galiwin'ku	Jabiru Nhulunbuy
Gapuwiyak	Alyangula Jabiru
Gunbalanya	Alyangula Jabiru
Hermannsburg (Ntaria)	Alyangula
Lajamanu	Alyangula
Maningrida	Jabiru Nhulunbuy
Milingimbi	Alyangula Jabiru

Priority community	Comparison community / communities
Nguiu (Wurrumiyanga)	Jabiru
	Alyangula
Ngukurr	Alyangula
	Jabiru
Numbulwar	Alyangula
Umbakumba	Alyangula
Wadeye	Jabiru
	Nhulunbuy
Yirrkala	Alyangula
Yuendumu	Alyangula
	Jabiru

Source: ANAO, based on information provided by FaHCSIA.

Appendix 3: Performance indicators contained in the National Indigenous Reform Agreement

1. Estimated life expectancy at birth.

2. Mortality rate (and excess deaths) by leading causes.

3. Hospitalisation rates by principal diagnosis.

4. Rates of current daily smokers.

5. Average daily alcohol consumption and associated risk levels; rates of alcohol consumption at long term risky to high risk levels.

6. Levels of obesity using Body Mass Index.

7. Level of physical activity.

8. Access to health care compared to need, measured by:

   - percentage who accessed health care by type of service; and

   - level of need for a health care service, by type.

9. Child under five mortality rate (and excess deaths).

10. Mortality rates (and excess deaths) by leading causes (for children under five).

11. Child under five hospitalisation rates by principal diagnosis.

12. Proportion of babies born of low birth weight.

13. Tobacco smoking during pregnancy.

14. Antenatal care, measured by:

    - proportion of mothers with antenatal care in first trimester; and

    - proportion of mothers attending five or more antenatal care sessions.

15. Percentage of students at or above the national minimum standard in reading, writing and numeracy for years 3, 5, 7, 9.

16. Rates of participation in NAPLAN reading, writing, & numeracy tests—years 3, 5, 7, 9.

17. The proportion of Indigenous children who are enrolled in a preschool program in the year before formal schooling.

18. Proportion of 20–24 year-olds having attained at least a Year 12 or equivalent or AQF Certificate II.

19. Apparent retention rates from Year 7/8 to year 10 and year 12.

20. Attendance rates—Year 1 to Year 10.

21. Employment to population ratio, for the working age population (15-64 years).

22. Unemployment rate.

23. Labour force participation rate.

24. CDEP participants and off CDEP job placement.

25. Three-month employment outcomes.

26. Proportion of Indigenous 18–24 year olds engaged in full-time employment, education or training at or above Certificate III.

27. Proportion of Indigenous 20–64 year olds with or working towards post school qualification in Certificate III, IV, Diploma and Advanced Diploma.

Appendix 4: Social and economic indicators developed for baseline mapping reports

1. Number and rate of live births to women who are resident in the community by age of mother (15–19, 20–24, 25–29, 30–34, 35–39, 40–44, 45–49) or (15–19, 20–34, 35–49).

2. Number and rate of live born singleton low birth weight babies (<2500 grams) per 100 live births.

3. Proportion of children developmentally vulnerable on one or more domains of the AEDI.

4. Number and proportion of enrolments in preschool and school by Indigenous status, sex and level of schooling.

5. Aggregate number of actual days in attendance in the collection period, for children enrolled full-time in pre-school or school as a proportion of the possible days of attendance over the same period, by Indigenous status, sex and level of schooling.

6. Number of truancy apprehensions by police and penalties under the truancy section of the Education Act.

7. State/Territory level apparent school retention rates year 10 and year 12.

8. Number/proportion of children who attend school at least 80 per cent of the time by grade level.

9. NAPLAN results for relevant schools in each of the locations by Indigenous status—all domains and year levels.

10. Persons aged 20–24 years who have completed year 12 or whose level of highest non-school qualification is at Certificate II or above, over population aged 20–24 years, by National, state/territory and geo-location by Indigenous status.

11. Proportion of the population aged 20 and above with post-school qualifications.

12. Number, rate and rate ratio per 1,000 population of hospital patient separations by Principal Diagnosis ICD-10 Chapter (top 10) with diabetes and assault reported as sub-categories and alcohol-related conditions reported if features among the top 10.

13. Number and rate per 1,000 population of hospital patient separations for chronic diseases by sex: (Indigenous and non-Indigenous):

- cardiovascular disease;
- malignant neoplasm (cancer);
- diabetes mellitus;
- chronic respiratory disease; and
- mental disorders.

14. Number, rate and ratio per 1,000 population of hospital patient separations for:

- total ambulatory care sensitive conditions;
- vaccine-preventable conditions;
- potentially preventable chronic conditions; and
- potentially preventable acute conditions.

15. Number and rate per 1,000 population of hospital separations for injury by 20 year age group and sex.

16. Number, rate and rate ratio per 1,000 for total number of hospital separations by 5 yr age group or age groups 0–14, 15–34; 35–54; 55+.

17. Census data on labour force status, industry, occupation, hours worked, employment and non-employment income by Indigenous status, age cohort and sex.

18. Employment to population ratio for the population aged 15–64 by Indigenous status.

19. Percentage and level of private sector employment by Indigenous status.

20. Unemployment rate, by Indigenous status.

21. Percentage of the working age population (15–64 years) on income support by Indigenous status.

22. Percentage of children living in jobless households by Indigenous status.

23. Median weekly individual income by age breakdown and Indigenous status.

24. Median weekly income by labour force status and by Indigenous status.

25. Indigenous employment by industry.

26. Indigenous employment by occupation.

27. CDEP - Off CDEP job placements FaHCSIA.

28. Income support payments as a proportion of total household income.

29. Proportion of the Indigenous 18–24 year olds and engaged in full-time employment, education or training.

30. Median household income.

31. Job placements.

32. Off benefit outcomes.

33. Home ownership rates.

34. Overcrowding rate.

35. Proportion of dwellings meeting the first four standards for health living practice.

36. Number, rate and rate ratio per 1,000 population of hospital separations for people with a disease associated with poor environmental health[46], by Indigenous status.

37. Number, rate and rate ration of hospital separations where assault is reported.

38. Number and rate per 1,000 population of hospital separations where the principal diagnosis is alcohol-related.

39. Alcohol-related crime incidents.

40. Number of children 0-16 years who were the subject of substantiated child protection notifications and number of re-substantiations.

41. Policing incidents number and type including assault (assaults related to domestic violence to be separately identified), property, public order

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[46] Diseases associated with environmental health are: scabies, influenza and pneumonia, asthma, intestinal infectious diseases, bacterial diseases and acute upper respiratory infections.

and offences against the person, alcohol and substance abuse (inc. petrol sniffing, volatile substances, kava) and violence-related crime.

42. Offences by number and type including assault, property, public order and offences against the person, alcohol and substance abuse (inc. petrol sniffing, volatile substances, kava) and violence-related crime.

43. Number of domestic violence orders and number of breaches.

44. Finalised court appearances for assault.

45. Number of incidents of juvenile crime by offence type, age and gender (including reports of crime).

46. Rates of re-offending by type within 12 months of the first offence, irrespective of conviction.

47. Number of complaints relating to alleged child abuse perpetrated against Indigenous children/non-Indigenous children—police data. This should include child neglect.

48. Number of administrators and or investigations into incorporated associations by type and date.

49. Australian Bureau of Statistics census data on Indigenous and non-Indigenous population by five-year age group and sex and single year 0-19.

50. Local clinic estimate of 'active client' Indigenous and non-Indigenous population by five-year age group and sex.

51. Number of Indigenous persons registered with Medicare with a usual address in the community, by age and sex of Centrelink customers—another check for the age structure.

52. Population projections to 2031 to be prepared by John Taylor and Nick Biddle from based on work undertaken to date as part of the MCATSIA population project.

53. A description and analysis of mobility patterns supplemented by any relevant CAEPR Analysis on temporary mobility.

54. Number and rate per 1,000 women who gave birth who had attended an antenatal visit by:

- number of antenatal visits (0, 1, 2–4, 5+)

- mean number of visits for the following age groups:

     ○   15–19yrs (high risk)

     ○   20–34 (low risk)

     ○   35–49 (high risk)

55. Number of antenatal visits during first trimester (Indigenous and non-Indigenous).

56. Children who used CSTDA-funded services by type of disability, by primary disability group.

57. Children fully immunised at 12–15 Months, 2 and 6 years of age: expressed as a percentage of children aged 12-15 months, 2 and 6 years old at the end of the previous quarter.

58. Proportion of Indigenous children accessing quality early childhood education in the year before school.

59. Abstudy data in children away for schooling.

60. Number and percentage of Indigenous students with limited literacy and numeracy participating in accelerated literacy and numeracy programs.

61. Number of registered teachers and teachers aids (Indigenous and Non-Indigenous)

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