

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2011-2012, 21 October 2011

Question: E11-234

OUTCOME 8: Indigenous Health

Topic: FINANCIAL AND CLINICAL REVIEW OF THE ABORIGINAL CORPORATION IN FAR WEST NSW

Written Question on Notice

Senator Adams asked:

Financial and clinical review of the Aboriginal Corporation in Far West NSW - refers to answer to Question E11-390 Attachment A

Concerning the direct contract to Australian Indigenous Business Services Pty Ltd to conduct a financial and clinical review of the Aboriginal Corporation in Far West NSW (22/02/2010 31/08/2010 Open \$ 126,563.00)

- a) What prompted this investigation?
- b) What was the finding?
- c) What action will be taken as a result of this investigation?

Answer:

- a) In late 2009, the Department identified a number of potentially serious breaches of the funding agreement with the Orana Haven Aboriginal Corporation (OHAC) related to the management of the organisation's income and expenditure.

In response, the Department appointed Australian Indigenous Business Services Pty Ltd as Funds Administrator/Health Management Advisor (FA/HMA) in February 2010 to manage Departmental Funding and undertake a review of the organisation's financial, governance and management arrangements.

- b) The FA/HMA reported in April 2010 that the organisation had substantial governance and financial issues. Due to the nature and seriousness of the problems the report was referred to the Office of the Registrar of Indigenous Corporations (ORIC) on 3 May 2010.
- c) ORIC reviewed the FA/HMA's report and placed the organisation under special administration on 7 June 2010.

The special administrator:

- Changed the organisation's constitution so that it now operates under a regional governance structure and a new board of directors reflecting the regional structure was appointed at the organisation's annual general meeting on 2 February 2011;
- In conjunction with the Department, established a Committee comprising of representatives from local Aboriginal Community Controlled Health Services, the Murdi Paaki Drug and Alcohol Network, the Board of OHAC and the Aboriginal Health and Medical Research Council and the Department, to provide advice to the organisation;
- The Special Administration finished in March 2011.