



AUDITOR GENERAL

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Hon Tom Stephens MLA
Chairman
Education and Health Standing Committee
Legislative Assembly
Parliament House
PERTH WA 6000

SERVING THE PUBLIC INTEREST

Dear Mr Stephens

Thank you for the opportunity to comment on the Education and Health Committee's Report 6 *Where From? Where to? A Discussion Paper on Remote Aboriginal Communities*.

I note that your proposed findings and recommendations relate to matters of Government policy. It is generally not my practice to seek to influence Government policy development, as this may limit the independence of my Office should I decide to examine the implementation of this policy at a future date.

I would, however, like to direct your attention to a number of my audit findings that may help inform other aspects of your Inquiry. Three reports by my Office that specifically address the performance of the public sector in delivering services to Indigenous communities are *Progress with Implementing the Response to the Gordon Inquiry* (November 2005), *Early Diagnosis: Management of the Health Reform Program* (May 2006) and *Contracting Not-For-Profit Organisations for the Delivery of Health Services* (April 2003). I attach an outline of a number of findings from these and other reports which you may find useful to consider in the context of your Inquiry.

You may wish to note that the Department of Indigenous Affairs received clear audit opinions in 2005-06 for its financial statements, controls and performance indicators. In addition, a range of our across-sector compliance audits have included the Department as a sample agency, but these audits have not resulted any findings that are directly relevant to your Inquiry.

Should you have any queries or require further information on any audit report findings please do not hesitate to contact me on 9222 7501.

Yours sincerely

COLIN MURPHY
AUDITOR GENERAL
12 July 2007

attach .

Findings from Auditor General Reports

Interagency Collaboration

The *Progress with Implementing the Response to the Gordon Inquiry* (November 2005) examination reviewed the effectiveness of reporting and monitoring the progress of implementing the Action Plan in response to the Gordon Inquiry into family violence and child abuse in Aboriginal communities. The examination found that there are inadequacies in the central reporting and monitoring of progress against the Action Plan.

In the absence of an authoritative account and appropriate public reporting, we examined a sample of 10 key initiatives. Audit found that effective collaboration between agencies has proved a significant challenge and has contributed to delays in three major initiatives. Clarity of roles and the management of overlapping responsibilities is critical to the effectiveness of collaboration between agencies.

Audit has repeatedly encountered the theme of interagency collaboration in our performance examinations program, highlighting the extent of the challenge across the sector. Other audit reports that touch on this issue include *Behind the Evidence: Forensic Services* (May 2006) and *Production, Transport and Disposal of Controlled Waste* (October 2005). Effective coordination can be particularly challenging for initiatives that involve a combination of Commonwealth, State or local governments, or the not-for-profit sector. A range of audit reports, such as *Management of the Ramsar Wetlands* (September 2006) and *Management of Natural Resource Management Funding* (November 2004) contain findings in this regard.

Capacity-Building and Accountability

The *Contracting Not-For-Profit Organisations for the Delivery of Health Services* (April 2003) examination included review of a number of funding arrangements managed by the Office of Aboriginal Health in the Department of Health. The examination identified a range of issues in the administration of these arrangements, including inadequate selection processes for funding recipients and inadequate specification of service delivery requirements. The examination found that accountability could be improved in the Office of Aboriginal Health by more consistent and detailed documenting of decisions and actions.

The report notes that many not-for-profit organizations (including those in the Aboriginal health services area) have acknowledged the need for improvements in their administrative and governance practices, to ensure they can meet an appropriate standard of accountability when delivering services on behalf of Government. The report stressed the Department of Health's responsibility to take a lead in assisting not-for-profit organisations to enhance these corporate governance skills.

Health Reform

The 2004 report by the Health Reform Committee (the Reid Report) contained 86 recommendations aimed at addressing the current challenges faced by the Western Australian public health system, including widening gaps in the health status of the Aboriginal and non-Aboriginal population.

The *Early Diagnosis: Management of the Health Reform Program* (June 2006) examination reviewed the progress of 15 health reform projects implemented in response to the Reid Report's recommendations, including the Primary Care Strategy for Aboriginal People. The examination found that it was difficult to assess the progress of this project due to unclear timelines. The Strategy has now been reworked into a draft Western Australian Aboriginal Primary Care Action Plan with distinct implementation steps.

Community Participation in Decision-Making

The Committee's discussion paper proposes that "the State engage in a debate about the future of outstations, and other remote communities, that is informed ... by the views of the residents...". The recent examination *Having Your Say: Public Participation in Government Decision-Making* (February 2007) looked at the character of public participation conducted by Western Australian government agencies, some of their achievements in involving the public in government decisions, and challenges they need to address.

The examination found that there are pockets of excellent public participation practice in Western Australia but these tended to be isolated examples. Government agencies need to be clearer about why they are involving the public, including the extent of the involvement they want the public to have. Agencies must be accountable for the time and resources spent on involving the public, as well as keeping better records of the costs and benefits of these activities.

The Committee's proposal is also in line with audit's report recommendations, including that government agencies build on good practice examples to consider a wider range of public participation techniques and level of public involvement in decision making and explore strategies for involving people who typically less likely to involve themselves in public participation forums but who may be affected by a decision.