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Auditor-General

Coordinating Services and Initiatives for Aboriginal People

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Victorian Auditor-General's Office
Auditing in the Public Interest

The Hon. Robert Smith MLC
President
Legislative Council
Parliament House
Melbourne

The Hon. Jenny Lindell MP
Speaker
Legislative Assembly
Parliament House
Melbourne

Dear Presiding Officers

Under the provisions of section 16AB of the *Audit Act 1994*, I transmit my performance report on *Coordinating Services and Initiatives for Aboriginal People*.

Yours faithfully



DR PETER FROST
Acting Auditor-General

25 June 2008

Foreword

The Victorian Government has embraced an ambitious and commendable agenda to reduce the relative disadvantage and to improve the life expectancy of Indigenous Victorians. Recognising that traditional models of service delivery have not produced acceptable improvements in outcomes for Indigenous Victorians, a new approach of 'joining-up' government agencies has been developed. This was articulated in the Victorian Indigenous Affairs Framework (VI AF), which was released in October 2006.

Given the importance of the framework to improving outcomes for Indigenous Victorians, this audit sought to provide assurance that the VI AF had the necessary administrative and governance arrangements in place to support this 'joined-up' approach.

The audit, however, found that the current VI AF arrangements have not been well established and there is little apparent regard for better practice in 'joined-up' government. The responsibilities of the agencies and entities involved are unclear and the specific risks characteristic of working in a 'joined-up' way have not been adequately identified.

The appropriate and effective administration of Indigenous affairs is paramount if we are to improve the health and well-being of Indigenous people. This report provides important guidance for the adoption of 'joined-up' approaches.

Finally, although this audit recognises that departments are getting better at addressing issues that cross departmental boundaries, all service agencies are nevertheless encouraged to seriously consider the findings of this report.



DR PETER FROST
Acting Auditor-General

25 June 2008

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1 Executive summary

1.1 Introduction

Proportionally, Victoria's Indigenous population is small compared with other Australian states and territories. In 2006, just over 30 000 Victorians identified themselves as Indigenous, representing 0.6 per cent of the state's total population, and six per cent of Australia's Indigenous population.

Notwithstanding the size of Victoria's Indigenous population, its relative concentration in cities, Victoria's historically high levels of prosperity and government spending, outcomes for Indigenous Victorians are poor on several key measures. When compared with non-Indigenous Victorians, Indigenous Victorians:

- face a significant disparity in life expectancy, dying on average 17.5 years earlier
- have significantly lower high school retention rates (38 per cent, compared with 80 per cent)
- experience higher unemployment levels, with an unemployment rate nearly three times greater
- are 12 times more likely to be placed in an adult prison
- have significantly higher rates of care and protection orders for children (68 per 1 000, compared with 6 per 1 000)¹.

On any measure, Victorians should be deeply concerned at the performance against these well-being indicators. The audited agencies agreed with the Victorian Auditor-General's Office (VAGO) that the outcomes against these indicators were unacceptable. Addressing them will require more than 'business as usual'.

Improving the Lives of Indigenous Victorians is the title of the Victorian Government's Indigenous Affairs Framework (VIAF), which was released in October 2006. The framework is Victoria's key whole-of-government policy for addressing Indigenous disadvantage, and the government's response to addressing strategy nine in *A Fairer Victoria—Building a new partnership with Indigenous Victorians*. *A Fairer Victoria* is the government's policy framework for social sustainability, and aims to address areas where the government can have an impact on the causes and consequences of disadvantage. Its stated focus is preventative rather than reactive. The overarching goal of the VIAF is to improve life expectancy and quality of life for Indigenous Victorians.

¹ Victorian Government Indigenous Affairs Report 2006–07.

1.2 Findings

Introduction

Traditionally, government departments have been responsible for distinct activity portfolios and the delivery of programs and services tied to those portfolios. This facilitates strong accountability in traditional delivery models and is particularly effective for clearly defined policy issues. Sometimes, however, policy issues are complex and interrelated and cannot be addressed through the services and programs of a single department. Increasingly, governments are responding to these complex issues through 'joined-up' or 'whole-of-government' approaches.

The success of joined-up initiatives depends on how well they have been designed and whether the associated funding, administrative and governance arrangements match the scale, nature and complexity of the issue to be addressed. In the case of complex and deep-seated issues that need longer timeframes, there is a greater need for robust governance arrangements, coordination and joint effort.

This audit examined how well four departments coordinated services and initiatives for Aboriginal people in Victoria. In particular it examined whether:

- roles, responsibilities and accountabilities were clearly identified and understood
- inter-agency risks were identified and managed
- adequate arrangements were in place to ensure resources are used efficiently
- appropriate performance monitoring occurred to assess progress
- meaningful consultation and communication across government agencies and bodies occurred
- meaningful consultation and communication with community stakeholders occurred.

This audit also considered the administrative arrangements since 2001, when the Victorian Government first sought to establish whole-of-government arrangements, two subsequent reviews of Indigenous affairs in 2002 and 2006, and the administrative arrangements established under the VIAF.

Governance arrangements in Indigenous affairs

The Victorian Government has reviewed how it administers Indigenous affairs twice in the last six years. Many of the issues identified in the reviews, and particularly the 2002 review, have not been addressed.

The current governance arrangements under the VIAF include a Ministerial Taskforce for Aboriginal Affairs (the Taskforce) and a Secretaries' Group for Aboriginal Affairs (Secretaries' Group). Within the administrative framework, there is a Senior Officers' Group and a Secretariat that supports the Taskforce and the Secretaries' Group.

The Victorian Government uses these governance arrangements to coordinate Indigenous affairs, implement the VIAF and improve the circumstances of Indigenous Victorians.

The establishment of the governance arrangements underpinning the VIAF is a positive development and there is much goodwill supporting the intent across government. It reflects a joined-up approach for addressing a complex policy issue and with departments working in partnership, there is a greater chance of improving outcomes.

Given the challenging nature of the framework goals, a spectrum is used to assess the adequacy of the VIAF arrangements. On the spectrum between 'lightly joined-up' and 'heavily joined-up' arrangements, the VIAF arrangements are, on balance, closer to the light end. The lack of coordinated program design is a key area for attention. Also, the associated governance arrangements are not robust, rather:

- they are complex
- timeframes are uncertain
- respective roles and responsibilities of the agencies involved are unclear and inadequately documented
- deliberate effort to identify joined-up risks and strategies to mitigate them is not evident
- the Ministerial Taskforce for Aboriginal Affairs' Secretariat's location in the Department for Planning and Community Development (DPCD) means it is distant from central agency coordination and funding processes, and is not suited to the central agency-type role it carries out.

If these shortcomings are not addressed, coordination may not be achieved, putting the VIAF goals at risk.

Planning in Indigenous affairs

Planning for Indigenous affairs occurs across government, primarily in relation to portfolio responsibilities. For example, the Department of Human Services (DHS) has developed the Aboriginal Services Plan to outline how it will work to improve outcomes for Indigenous Victorians. The Department of Education and Early Childhood Development's (DEECD) recent *Education Strategy for Koorie Students* details how it will seek to improve the educational outcomes for Indigenous Victorians.

Some issues that affect the health and well-being of Indigenous people do not fit within the responsibilities of a single department, and individual department planning is unlikely to lead to improved outcomes. In these situations, where issues cross departmental boundaries, a joint approach to planning is required.

The VIAF commits the government to a joint planning framework, as part of a range of initiatives to improve the planning and coordination of Indigenous affairs. In part, the departmental draft action plans give effect to this commitment.

Strategic planning is an important part of public sector activity. It is the process where goals are set and the actions to achieve the goals are established. There is no strategic plan for implementing the VIAF. While the framework itself captures principles and priority areas for outcomes, there is no demonstrable plan to guide the effort of the agencies involved.

Departments are required to jointly develop draft action plans for 22 strategic change indicators under the VIAF. The government will use these indicators as 'markers' of longer-term improvements against its short-term strategic areas for action.

Many of the VIAF draft action plans have missing or incomplete information and fail to address core requirements, such as the principles for effective Indigenous program activity. DPCD has acknowledged shortcomings in the quality of the draft action plans and is working with departments so the plans meet the Taskforce's requirements. This includes ensuring the draft plans focus on issues that cross departmental boundaries and therefore cannot be addressed by individual departments.

While some progress has been made under the VIAF, the absence of a comprehensive implementation plan means these gains are less assured.

The performance assessments of programs and initiatives need to be outcome focused. The benefits of some interventions are not clear, as program assessment is largely input and output focused.

Agencies have not developed joint datasets or jointly identified data needs. Improvements in data capture and analysis will assist agencies in targeting initiatives in the areas of greatest need and greatest potential benefit. In addition to strengthening the VIAF governance arrangements, the VIAF agencies need to work together to build a clear understanding of data needs and to jointly collect longitudinal data on the progress of Indigenous Victorians over the timeframe of the VIAF. Such data will facilitate accurate matching of coordinated interventions with needs and potential impact.

As part of its commitment to joint planning and delivery of initiatives, the government has established a joint funding process for annual budget allocations. This process aims to enhance the way departments address issues and to increase the flexibility of funding arrangements. This is a positive step, however, funding needs to match the scale and longevity of Indigenous needs, taking into account the Department of Treasury and Finance's analysis, which shows that Indigenous funding is expected to decline over the longer-term (2009–10 onwards).

It is not clear whether current resourcing will achieve the government's long-term goal of closing the health and well-being gap between Indigenous and non-Indigenous people. There is a pressing need for an 'investment map' that will clearly show, for the VIAF, the funding requirements over the term of the government's commitment, and how the spending will match patterns of need. To that end, DPCD has sought the input of the Secretaries' Group on the development of a multi-year Indigenous investment framework.

Performance monitoring

Performance monitoring:

- enables organisations to assess whether they have achieved their stated objectives
- drives performance improvement
- underpins accountability.

A performance monitoring framework is under development and is due for completion this year. Until a framework is established there is no reliable basis to assess progress in achieving the VIAF outcomes.

In the absence of a performance monitoring framework that complements the outcomes in the VIAF and the joined-up approach of the draft action plans, assessment of progress relies on departmental performance monitoring systems. These systems are not set up to capture joined-up progress.

1.3 Recommendations

Governance arrangements in Indigenous affairs

The Ministerial Taskforce for Aboriginal Affairs should reconsider whether the location of the Secretariat in a line department provides the necessary authority, influence and proximity to the budget process to maximise effectiveness (**Recommendation 3.1**).

DPCD should:

- clarify the roles and responsibilities of the Ministerial Taskforce for Aboriginal Affairs, Secretaries' Group for Aboriginal Affairs, Senior Officers' Group, Ministerial Taskforce for Aboriginal Affairs Secretariat and the Premier's Aboriginal Advisory Committee, so they are clearly and consistently communicated. Statements of responsibility should be developed as a priority for each of the entities. To maximise transparency and accountability, respective responsibilities of each entity should be publicly available
- identify risks arising from the joined-up nature of the VIAF approach, and develop associated risk-management arrangements under the Indigenous affairs governance arrangements (**Recommendation 3.2**).

RESPONSE provided by Secretary, Department of Planning and Community Development (Recommendation 3.1)²

The Department of Planning and Community Development (the department) notes that the decision to locate the Secretariat in the department was made by the government and any change to policy is a matter for government.

² This is an extract of the Department of Planning and Community Development's response. The full text of the Secretary's response has been reproduced at Appendix D.

Planning in Indigenous affairs

DPCD should:

- expeditiously develop implementation and strategic plans for the VIAF
- undertake a planning 'stock-take' to align Indigenous affairs planning processes within and across departments (**Recommendation 4.1**).

In concert with the central agencies, DPCD should develop an investment map that clearly outlines the funding requirements during the term of the government's commitment to the VIAF, and how spending will match patterns of need and the potential impact (**Recommendation 4.2**).

RESPONSE provided by Secretary, Department of Planning and Community Development (Recommendation 3.2, 4.1, 4.2)³

The department notes the recommendations on governance arrangements and planning in Indigenous affairs.

The Secretaries of the Departments of Education and Early Childhood Development, Justice, Human Services and Premier and Cabinet have also provided formal comments on aspects of this report. These are included at Appendices E to H respectively.

³ This is an extract of the Department of Planning and Community Development's response. The full text of the Secretary's response has been reproduced at Appendix D.

2 Background

2.1 Indigenous Victorians

Victoria's Indigenous population is small compared with other Australian states and territories. In 2006, just over 30 000 people identified themselves as Indigenous, representing 0.6 per cent of the State's population, and six per cent of Australia's Indigenous population. Figure 2A provides a breakdown of the state and territory Indigenous populations.

Figure 2A
Comparison state and territory Indigenous populations

State/territory	Percentage of total state or territory population	Percentage of all Indigenous Australians
Northern Territory	31.6	12.9
Tasmania	3.4	3.3
Queensland	3.6	28.3
Western Australia	3.8	15.1
New South Wales	2.2	28.7
South Australia	1.7	5.0
Australian Capital Territory	1.2	0.8
Victoria	0.6	6.0

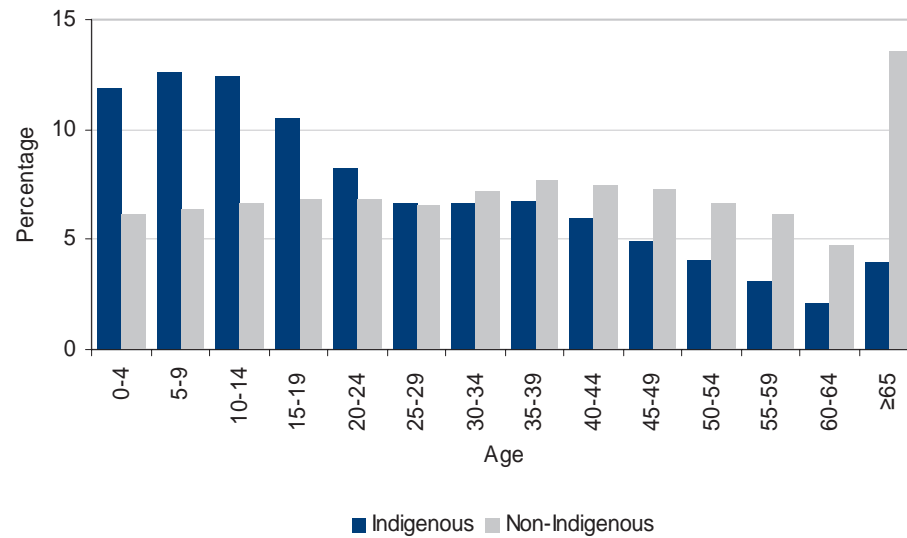
Note: Australia-wide, approximately 1.1 million Census respondents did not respond to the question on whether they were Aboriginal or Torres Strait Islander, while in Victoria the number was approximately 266 000.

Source: Australian Bureau of Statistics Preliminary estimates by State and Territory for 2006.

Victoria has the second-highest proportion of its Indigenous population living in major cities (51 per cent) in Australia.

There are significant differences in age profile between non-Indigenous and Indigenous Victorians. As Figure 2B shows, Indigenous Victorians tend to be younger than non-Indigenous Victorians, with approximately 56 per cent aged under 25, compared with 33 per cent for non-Indigenous Victorians. The proportion of Indigenous Victorians aged over 40 years is 24 per cent, compared with 45 per cent for the non-Indigenous population. Victoria's non-Indigenous population is evenly represented across all age brackets except the over 65 year's age bracket, where it rises sharply.

Figure 2B
Age profile of Indigenous and non-Indigenous Victorians, 2006



Note: The data do not include Census respondents who did not indicate their Indigenous status.

Source: Australian Bureau of Statistics, 4705.0 Population Distribution, Aboriginal and Torres Strait Islander Australians, 2006.

2.1.2 Indigenous health and well-being

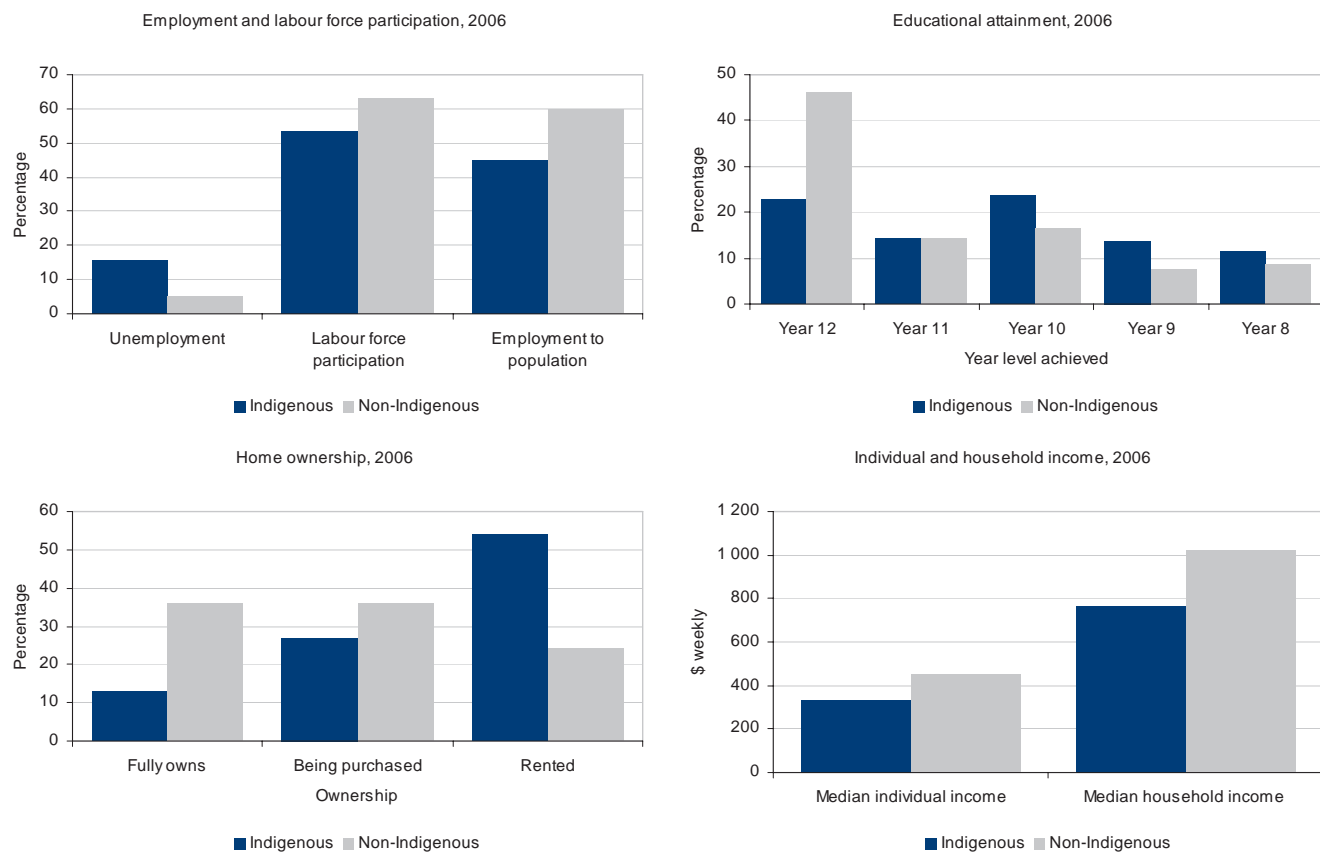
The health and well-being of Indigenous Australians is considerably worse than it is for non-Indigenous Australians. Notwithstanding the size of Victoria's Indigenous population, its relative concentration in cities, and Victoria's historically high prosperity and levels of government spending, outcomes for Indigenous Victorians are poor on several key measures. When compared with non-Indigenous Victorians, Indigenous Victorians:

- face a significant disparity in life expectancy, dying on average 17.5 years earlier
- have significantly lower high school retention rates (38 per cent, compared with 80 per cent)
- experience higher levels of unemployment, with an unemployment rate nearly three times greater
- are 12 times more likely to be placed in an adult prison
- have significantly higher rates of care and protection orders for children (68 per 1 000, compared with 6 per 1 000)¹.

¹ *The Victorian Government Indigenous Affairs Report 2006–07.*

Figure 2C shows indicators of the disadvantage that Victoria's Indigenous population experience compared with non-Indigenous Victorians.

Figure 2C
Relative disadvantage of Indigenous Victorians, 2006



Note: The data do not include Census respondents who did not indicate their Indigenous status.
Source: Australian Bureau of Statistics Cat No. 2002.0—Community Profile Series.

These disparities are neither new, nor insurmountable. There is evidence that correctly designed and targeted interventions can improve outcomes for Indigenous people². For example, early development of literacy and numeracy assists with secondary school completion, while completing Year 12 is associated with improved lifetime health and earnings and reduced exposure to the criminal justice system.

² *The Victorian Government Indigenous Affairs Report 2006–07.*

2.2 Reviewing the administration of Indigenous affairs

Recognising the historical lack of progress in improving outcomes for Indigenous people, the Victorian Government has reviewed how it administers Indigenous affairs twice in the last six years.

Review of administrative arrangements relating to Indigenous issues

The Department of Premier and Cabinet initiated the *Review of administrative arrangements relating to Indigenous issues* in 2001–02. Its aim was to identify optimal administrative arrangements for delivering the government's commitments and priorities for Indigenous issues. This included identifying administrative structures that promoted a whole-of-government approach to these issues and improving policy consistency across departments.

Issues identified included a lack of leadership in Indigenous affairs, a poor whole-of-government effort to improve Indigenous outcomes and ineffective coordination and consultation.

The review made several recommendations, which were endorsed by the then Premier. They included strengthening the role of Aboriginal Affairs Victoria (AAV) and establishing a taskforce of departmental secretaries to provide leadership and to drive the policy agenda.

Indigenous Affairs Review

In 2005–06, the Departments of Premier and Cabinet, Treasury and Finance and Planning and Community Development (formerly the Department for Victorian Communities) undertook the *Indigenous Affairs Review*, which examined government programs and policies in Indigenous affairs from whole-of-government perspective. The review was initiated following government estimates, which indicated that despite an increase in Indigenous program expenditure since 1999, there had not been a corresponding improvement in the headline outcome measures.

The review's aim was to identify more effective ways to address Indigenous issues, leading to improved coordination, administration and targeting of existing programs. This included strategies for improving administration, funding and accountability mechanisms.

The review highlighted a lack of authoritative leadership at senior levels of government, and unclear policy direction in Indigenous affairs. It also found:

- insufficient coordination and communication between departments
- the programs and services established to improve Indigenous disadvantage lacked focus
- the roles and responsibilities of key participants were ambiguous.

Eleven recommendations were made, and ten endorsed, to address administrative issues in Indigenous affairs, including:

- finalising the Indigenous affairs policy framework
- establishing a Ministerial Taskforce to provide authoritative leadership
- strengthening and clarifying the role of AAV.

We discuss both reviews in greater detail throughout this report, particularly in Part 3, when considering the current governance arrangements for Indigenous affairs.

2.3 Victorian Indigenous affairs policy

The Victorian Government released its Indigenous affairs framework (*Improving the Lives of Indigenous Victorians*) in October 2006. The Victorian Indigenous Affairs Framework (VIAF) is Victoria's key whole-of-government policy for addressing Indigenous disadvantage, and the government's response to addressing strategy nine in *A Fairer Victoria—Building a new partnership with Indigenous Victorians*. *A Fairer Victoria* is the government's policy framework for social sustainability and aims to address areas where the government can have an impact on the causes and consequences of disadvantage. Its stated focus is preventative rather than reactive.

The overarching goal of the VIAF is to improve the life expectancy and quality of life for Indigenous Victorians. However, the VIAF does not include some Indigenous and mainstream programs that Indigenous Victorians access. The VIAF was not intended to address all areas that affect disadvantage. There are four key components intended to enable the Victorian Government to achieve this overarching VIAF goal:

- coordination and community partnership principles
- a strategic policy framework
- a performance framework
- a partnership coordination and management framework.

The strategic policy framework is the key element in the VIAF to achieve its overarching goal. Six 'strategic areas for action' have been developed to achieve this in the short-to medium-term.

To guide long-term improvement, Victoria has adopted the Council of Australian Governments' (COAG) Overcoming Indigenous Disadvantage framework's seven strategic areas for action.

Figure 2D details the strategic areas for action and the term of their focus. While Victoria will be guided by national (Overcoming Indigenous Disadvantage) strategic areas for action over the long-term, its focus is initially on the first three Victorian strategic areas for action:

- improving maternal health and early childhood health and development
- improving literacy and numeracy
- improving Year 12 completion or equivalent qualification and developing pathways to employment.

Figure 2D
Strategic areas for action

VIAF (Short-to medium-term)	Council of Australian Governments Overcoming Indigenous Disadvantage (Long-term)
Improve maternal health and early childhood health and development	Early childhood development and growth (preschool to Year 3)
Improve literacy and numeracy	Early school engagement and performance (preschool to Year 3)
Improve Year 12 completion or equivalent qualification and develop pathways to employment	Positive childhood and transition to adulthood
Prevent family violence and improve justice outcomes	Substance abuse and misuse
Improve economic development, settle native title claims and address land access issues	Functional and resilient families and communities
Build Indigenous capacity	Effective environmental health systems Economic participation and development

Note: Short to medium-term is 5–10 years, while long-term is 15 years—as noted in the VIAF

Source: Victorian Auditor-General's Office, from the Victorian Indigenous Affairs Framework.

The VIAF also details 22 strategic change indicators to assess performance against the strategic areas for action. We discuss these, in relation to planning, in Part 4 of this report.

2.4 Investment in Indigenous affairs

Quantifying the Victorian government's expenditure on Indigenous affairs is difficult. Assessment of expenditure within the Victorian Government, undertaken by the Department of Treasury and Finance (DTF) in 2005 and discussed in the *Indigenous Affairs Review*, does not capture the total value of services that government provides to Indigenous people. This is because the assessment does not include mainstream services accessed by Indigenous Victorians, such as education and health care.

DTF has estimated the level of funding provided for Indigenous programs between 1999–2000 and 2004–05. Figure 2E shows that the estimated Victorian Government funding (directed at native title claims, the Aboriginal Justice Agreement, community building, and other health and education initiatives) increased by 87 per cent between 1999–2000 and 2004–05. Total funding, including Commonwealth Government funding, increased by 56 per cent during this period.

Figure 2E
Estimated funding for Victorian Indigenous programs (\$million)

Year	Victorian Government	Commonwealth Government	Total Government
1999–2000	39.0	30.1	69.1
2000–01	52.7	30.1	82.8
2001–02	49.5	30.1	79.6
2002–03	63.0	33.2	96.2
2003–04	68.5	34.6	103.1
2004–05	73.1	34.6	107.7

Source: Department of Treasury and Finance *Funding for Indigenous Programs* (unpublished), 2005, cited in Allen Consulting Group *Indigenous Affairs Review*, 2006.

2.5 Audit objective and method

The objective of the audit was to determine how well services and initiatives for Indigenous people were planned and coordinated across the Victorian public sector. The audit method, criteria and parties consulted are set out in Appendix A.

3 Governance arrangements in Indigenous affairs

At a glance

Background

Increasingly, governments are responding to complex issues through 'joined-up' or 'whole-of-government' approaches. The long-term success of joined-up initiatives depends on how well they have been designed. Complex issues require robust governance arrangements to be in place for the anticipated timeframe for action.

Key findings

- Many of the issues identified in the reviews of administration of Indigenous affairs in Victoria, and particularly the 2002 review, have not been addressed.
- The responsibilities of the respective Victorian public sector agencies and entities involved in Indigenous affairs are unclear. Current and appropriate documentation relating to these responsibilities is lacking.
- The timeframe for the governance arrangements is not stated, and it is unclear whether there is a long-term commitment.
- Working in a joined-up way has particular risks that are not being adequately managed.

Key recommendations

The Ministerial Taskforce for Aboriginal Affairs should reconsider whether the location of the Secretariat in a line department provides the necessary authority, influence and proximity to the budget process to maximise effectiveness (**Recommendation 3.1**).

The Department of Planning and Community Development should:

- clarify the roles and responsibilities of the Ministerial Taskforce for Aboriginal Affairs, Secretaries' Group for Aboriginal Affairs, Senior Officers' Group, Ministerial Taskforce for Aboriginal Affairs Secretariat and the Premier's Aboriginal Advisory Committee, so they are clearly and consistently communicated. Statements of responsibility should be developed as a priority for each of the entities. To maximise transparency and accountability, respective responsibilities of each entity should be publicly available
- identify risks arising from the joined-up nature of the VIAF approach, and develop associated risk-management arrangements under the Indigenous affairs governance arrangements (**Recommendation 3.2**).

3.1 Introduction

Traditionally, government departments have been responsible for distinct activity portfolios and the delivery of programs and services tied to those portfolios. This vertical alignment facilitates strong accountability in traditional delivery models and is particularly effective for clearly defined policy issues that affect a single portfolio. Sometimes, however, policy issues are complex and interrelated and cannot be addressed through the services and programs of a single department. Increasingly, governments are responding to these complex issues through 'joined-up' or 'whole-of-government' approaches.

The terms 'joined-up government' and 'whole-of-government' tend to be used interchangeably. Both concepts involve cross-agency coordination, with input from more than one agency, to address complex, high-priority issues.

The success of joined-up initiatives depends on how well they have been designed, and whether the associated funding, administrative and governance arrangements match the scale, nature and complexity of the issue to be addressed. For example, in the case of complex and deep-seated issues that need longer timeframes there is a greater need for more robust governance arrangements, coordination and joint effort.

Figure 3A summarises two ends of the spectrum of joined-up approaches to service delivery. In this framework, the more complex, enduring and intractable the problem being addressed, the more heavily joined-up a program or initiative needs to be.

Figure 3A
Elements of 'joined-up' initiatives

	Lightly joined-up	Heavily joined-up
Coordination	Departments share information about their own initiatives. Coordination is focused on the practicalities of program implementation.	Agencies collaborate at all stages of the program—from inception through development and implementation to evaluation, and particularly at the point of program and intervention design.
Level and frequency of contact	Coordination-related contact between the departments is mainly at senior levels and is infrequent.	Collaboration occurs at all levels of all the departments and is frequent.
Strength of associated governance arrangements	Light governance framework ('authorising environment'). No directive powers.	Governance structure specifies roles and responsibilities. Strategic and implementation plans outline priorities and strategies. Associated structures have decision-making and directive role to coordinate and implement plans.
Timeline	Timeframe is short-term, with a focus on quick results.	Timeframe is long-term, with a focus on both quick wins and wins over time.
Data	Agencies maintain their own datasets.	Agencies have joint datasets and jointly identify data collection needs.
Funding	Agencies and individual programs have their own funding streams.	Agencies have access to joint funding streams.
Risks	Risks in joining up are not considered.	Risks in joining up are considered and managed.

Source: Victorian Auditor-General's Office, based on a literature review, including the work of the Victorian State Services Authority, and Mulgan, G *Joined-up government: past, present and future* (2005) accessed from www.youngfoundation.org.uk/node/223. See also Victorian Auditor-General's Office *Managing Risk Across the Public Sector* 2007.

The administration of Indigenous affairs is an example of a complex, longstanding issue that warrants a joined-up approach with robust governance arrangements. Multiple intractable issues underpin the significant comparative disadvantage many Indigenous people experience, transcending the responsibilities and capacity of any one agency.

3.2 Indigenous affairs in Victoria

3.2.1 Development of governance arrangements in Indigenous affairs

Governance arrangements that reflect a whole-of-government approach are not new, and have been used increasingly around the world since the 1990s. The Victorian Government first sought to establish whole-of-government arrangements for Indigenous affairs in 2001, through the work of the Victorian Aboriginal Affairs Coordination Committee (VAACC).

VAACC was established to support the work of the Premier's Aboriginal Advisory Council (PAAC). Specifically, its objective was to provide a mechanism for departments to develop and implement agreed whole-of-government strategies and to monitor and report performance. It was also responsible for developing and implementing a Victorian Aboriginal Affairs policy framework.

VAACC started and stopped operation in 2001. During its brief existence, it experienced difficulty both with functionality and with the level of agency engagement. It failed to provide an effective forum to discuss and coordinate Indigenous issues and the development of an Indigenous affairs policy framework. Shortly after the VAACC stopped operation, the government completed the *Review of administrative arrangements relating to Indigenous issues*.

Review of administrative arrangements relating to Indigenous issues

The 2002 *Review of administrative arrangements relating to Indigenous issues* made several recommendations to improve the administration of Indigenous affairs, including:

- establishing a taskforce of Secretaries to progress agreed Indigenous priorities, starting with land and native title policy
- renaming Aboriginal Affairs Victoria (AAV) as the Office of Indigenous Affairs, and relocating it to the Department of Premier and Cabinet (DPC)
- integrating native title negotiation and operational areas into the then Department of Natural Resources and Environment.

The Premier accepted these recommendations in 2002. The Secretaries' Group for Aboriginal Affairs was established in 2005. Not all of the review's recommendations were implemented. AAV was not renamed and was not relocated to DPC.

Indigenous Affairs Review

The *Indigenous Affairs Review* was conducted in 2006. Like the preceding review, it identified problems with the administration of Indigenous affairs in Victoria. These included:

- a lack of authority to drive change, despite the establishment of the Secretaries' Group for Aboriginal Affairs
- poor collaboration and coordination between departments
- departments working 'vertically' and not developing 'horizontal' links
- ambiguity about the roles and responsibilities of AAV.

This review made 11 recommendations to improve the governance and administration of Indigenous affairs in Victoria, including:

- finalising the Victorian Indigenous Affairs Framework
- establishing a Ministerial Taskforce for Aboriginal Affairs
- strengthening and clarifying AAV's whole-of-government role
- adopting new terms of reference for the Secretaries' Group for Aboriginal Affairs
- establishing stronger coordination and greater accountability for outcomes.

Most of the review's recommendations have been, or are in the process of being, implemented and have informed the VIAF governance structure. This includes the finalisation and release of the VIAF itself and the establishment of the Ministerial Taskforce for Aboriginal Affairs.

3.2.2 Current governance arrangements in Indigenous affairs

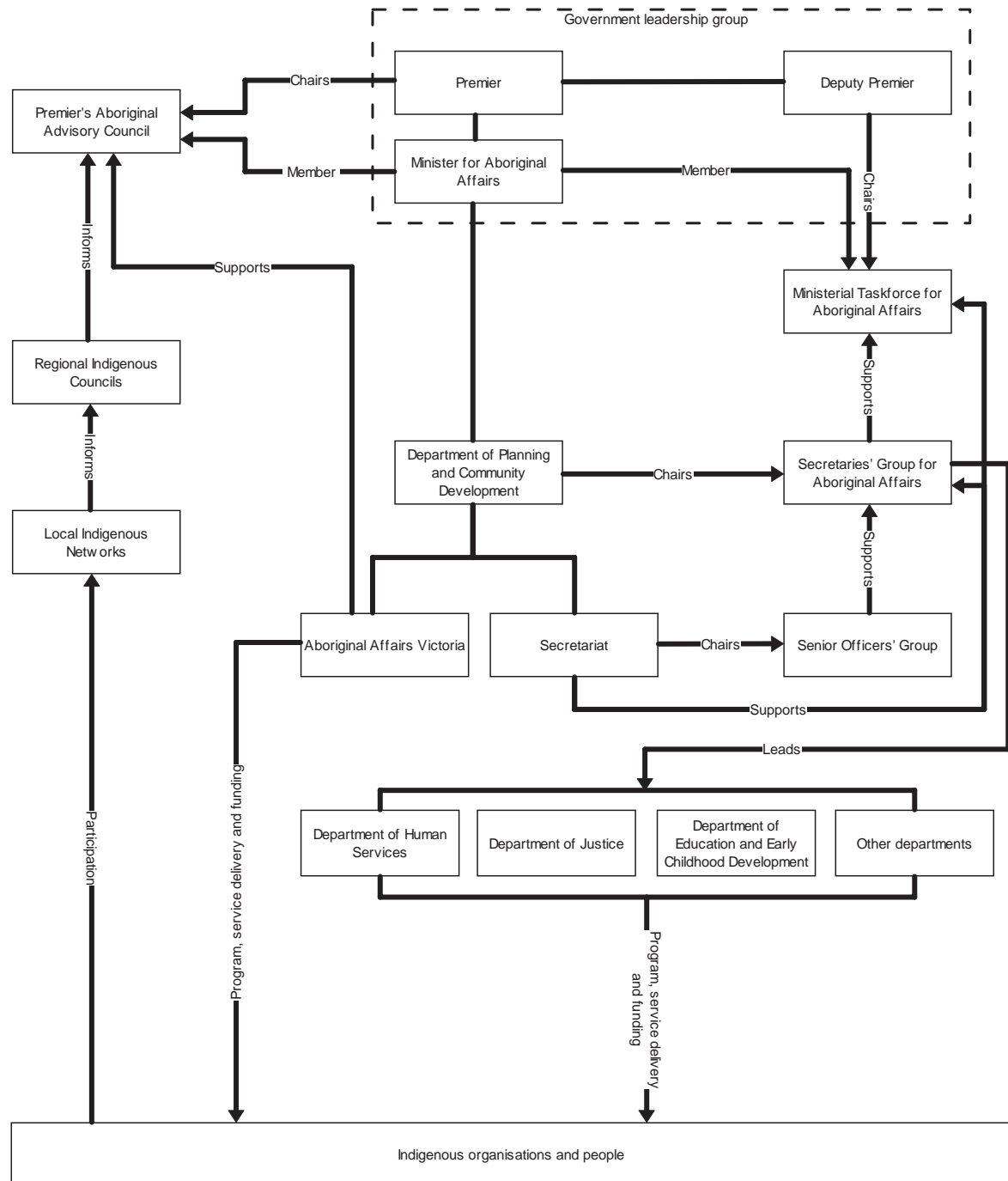
Figure 3B summarises the governance and administrative arrangements for Indigenous affairs in Victoria. The arrangements include:

- a government leadership group comprising the Premier and the Minister for Aboriginal Affairs. With nominated Indigenous representatives, this group forms the Premier's Aboriginal Advisory Council (PAAC)
- a Ministerial Taskforce for Aboriginal Affairs (the Taskforce), which coordinates whole-of-government Indigenous affairs policy objectives and priorities
- a Secretaries' Group for Aboriginal Affairs (Secretaries' Group), chaired by the Secretary, Department of Planning and Community Development (DPCD), which supports and advises the Taskforce, and provides authority at the departmental level
- PAAC and local and regional Indigenous councils, which provide a consultative link between Indigenous communities and senior levels of government.

In addition, a Senior Officers' Group supports the work of the Secretaries' Group, and a Secretariat administratively supports the Taskforce and the Secretaries' Group. The Secretariat, which reports to the DPCD Secretary, also assists with leading the implementation of the VIAF and coordinating activity across government.

Considerable goodwill was evident among participants and stakeholders in relation to the new governance arrangements. People's personal commitment to the framework goals and to the joined-up focus of the work appeared to be high.

Figure 3B
Governance and administrative arrangements in Victorian Indigenous affairs



Source: Victorian Auditor-General's Office.

3.2.3 Roles and responsibilities within the governance and administrative framework

Effective joined-up initiatives require that the roles and responsibilities of each entity involved are clearly documented. Clarity minimises the risk of overlap and duplication of effort and helps with the attribution of success or failure of initiatives.

Ministerial Taskforce for Aboriginal Affairs

The Taskforce was established in July 2006 to provide authoritative leadership in the administration of Indigenous affairs, which was lacking in the governance arrangements at the time. It currently comprises ministers with portfolios key to addressing Indigenous disadvantage including:

- Aboriginal affairs
- Education
- Children and early childhood development
- Justice
- Community services
- Skills and workforce participation
- Finance.

The Taskforce's responsibilities were established in 2006, and relate predominantly to the development and early implementation of the VIAF. For example, its first responsibility was to finalise the VIAF, while the third was to consider action plans as part of the 2007–08 budget process. Both are now complete.

In 2007, different responsibilities were published in the Victorian Government Indigenous Affairs Report 2006–07. These new responsibilities are far broader in their application than the original responsibilities. This is particularly evident for the third responsibility. The new responsibilities are not reflected in the current terms of reference for the Taskforce. Figure 3C shows the responsibilities of the Taskforce.

DPCD advised that the 2007 responsibilities were not substantially different to the 2006 responsibilities, but reflected the outcome of an editing process. Notwithstanding this advice, the responsibilities for the Taskforce are unclear and need to be clearly and consistently communicated.

Figure 3C
Ministerial Taskforce for Aboriginal Affairs responsibilities

2006 responsibilities	2007 responsibilities
Finalise the Victorian Indigenous Affairs Framework, including, subject to consultation, the identification of specific priorities for policy and program action.	Drive implementation of the VIAF within a whole-of-government framework across the Victorian government.
Oversee government action in the agreed priority areas, including cross-portfolio activity, which seeks to address multi-dimensional disadvantage—initial priority areas being early childhood, family support, education, particularly the transition points.	Focus government action to improve outcomes for the strategic change indicators in the strategic areas of action of the VIAF.
Consider departmental action plans in relation to specific program areas in the lead up to the 2007–08 Expenditure Review Committee budget process.	Lead and drive change across government in addressing Indigenous disadvantage and bridging the gap between wellbeing outcomes of Indigenous and other Victorians.
Oversee implementation of new representative and engagement arrangements for Indigenous Victorians including the development of Indigenous community capacity.	Galvanise departments and agencies to meet the challenges posed by <i>Growing Victoria Together, A Fairer Victoria</i> , the New Representative and Community Engagement Arrangements and Portfolio specific plans to address Indigenous disadvantage.
Examine and review existing consultative mechanisms.	
Review and report on programs and policies that have been successful and how the lessons learned can be implemented.	

Source: Victorian Auditor-General's Office, from submission to the Social Development Cabinet Committee by Minister for Victorian Communities, 6 August 2006 (Attachments B and C).

Secretaries' Group for Aboriginal Affairs

The Secretary of DPCD (then the Department for Victorian Communities) established the Secretaries' Group for Aboriginal Affairs in June 2005 to provide leadership and direction to government agencies on Indigenous affairs. Its membership comprises all Secretaries.

The responsibilities of the Secretaries' Group are shown in Figure 3D.

Figure 3D
Secretaries' Group for Aboriginal Affairs responsibilities

2005 responsibilities (a)	2006 responsibilities (b)
Oversee development of strategic whole-of-government initiatives to improve outcomes for Indigenous Victorians, and measure progress against the key indicators for Overcoming Indigenous Disadvantage.	Advise the Ministerial Taskforce.
Monitor the activity and level of investment in Indigenous Victorians by the Federal government.	Lead collaboration and coordination across the relevant agencies to achieve outcomes.
Monitor implementation and performance of whole-of-government funding and accountability arrangements for Indigenous community organisations, including entry into single WoVG funding agreements for selected community organisations.	Remove barriers to progress.
Oversee government-community consultation and engagement arrangements and identify opportunities for streamlining.	Monitor and report to ministers on progress against strategic plans.

Source: Victorian Auditor-General's Office, from (a) the Department of Planning and Community Development; (b) from submission to the Social Development Cabinet Committee by Minister for Victorian Communities, 6 August 2006 (Attachment C).

The Secretaries' Group approved terms of reference detailing its responsibilities at its first meeting in 2005. In June 2006 it endorsed a new set of responsibilities following recommendations from the *Indigenous Affairs Review*. However, the terms of reference have not been updated to reflect the new responsibilities.

DPCD advised that the Secretaries' Group is working to the 2005 terms of reference. It also advised that, like the Taskforce, the responsibilities endorsed in 2006 reflected the outcome of an editing process. Nevertheless, it is unclear whether the 2006 responsibilities have been adopted, despite endorsement, or whether they complement or replace the 2005 ones.

The *Indigenous Affairs Review* clearly states that due to a lack of authoritative leadership from the Secretaries' Group following its inception, a remodelled group was required, with responsibilities including those outlined in the right column in Figure 3D to enhance the authority and functioning of the group.

While accepting that the Secretaries' Group and the Secretariat play an organic and flexible role, greater clarity of responsibilities would improve administration and facilitate agency alignment within the joined-up approach.

Secretariat for the Ministerial Taskforce on Aboriginal Affairs

The Secretariat oversees the implementation of the VIAF across government. It was established in November 2006, following a transfer of responsibilities from AAV. It performs a central role in the administration of Indigenous affairs within the state.

The Secretariat's responsibilities are not well documented. We were unable to see evidence that they have been communicated to other agencies across government. We were advised that the responsibilities include:

- leading key elements in the development and implementation of integrated service delivery
- leading the development of whole-of-government policy and coordinated operational capacity
- aligning portfolio responses and programs
- improving coordination of effort across government
- providing a greater level of authoritative leadership and direction.

Senior Officers' Group

When the Secretary of DPCD established the Secretaries' Group in 2005, AAV was responsible for convening a group of inter-departmental senior officers to support their work. The Executive Director, Secretariat, chairs the Senior Officers' Group (SOG), consisting predominantly of staff working in departmental Indigenous-focused business units from across government.

Aboriginal Affairs Victoria

AAV is a business unit within DPCD. Before the establishment of the Secretariat, AAV had primary responsibility for the administration of Indigenous affairs, including:

- administrative support for the Taskforce and Secretaries' Group
- policy leadership on Indigenous issues
- coordinating and leading collaboration across the Victorian Government.

The 2002 and 2006 reviews of the administration of Indigenous affairs noted the importance of a body like AAV, while also noting its lack of authority and leadership in Indigenous issues and a lack of clarity around its role. Both reviews made recommendations, that the government accepted, to strengthen the roles and responsibilities of AAV. Most recently this included:

- enhancing its status by clarifying its role across government
- enhancing its policy capacity to become a policy leader and coordinator
- performing the Secretariat role
- providing progress reports against the strategic framework.

AAV has recently increased the seniority of its policy advisors to improve the quality of policy advice to departments. However, the extent to which AAV is able to influence policy and program design in other departments is not clear, as it has no formal authority or mechanism to do this. Also, many departments have their own Indigenous policy units and advisors.

We found no evidence that AAV's role had been otherwise strengthened or clarified. The key stakeholders, including the line departments, Indigenous community organisations and peak bodies, do not have a good understanding of AAV's role. Transferring the leadership, coordination and collaboration responsibilities for Indigenous affairs from AAV to the Secretariat has diminished, rather than strengthened, AAV's role, as originally agreed by the Secretaries' Group. Stakeholders told VAGO that, in their view, AAV had become increasingly focused on program delivery within DPCD proper, rather than across government. They were also uncertain about the delineation of responsibility between AAV and the Secretariat.

3.2.4 Timeframe of the governance framework

Through the VIAF, the government has made a long-term commitment to improve the outcomes of Victoria's Indigenous people, particularly to close the life expectancy gap. Achieving significant improvements in the health and well-being of Victoria's Indigenous population is likely to take at least one generation (around 20 to 30 years). Consequently, the strategy and governance arrangements need to match this timeframe to maximise the chances of success.

Timeframes have not been established for any of the VIAF framework entities. None of the terms of reference noted operational timeframes.

3.3 Managing risks of 'joined-up' working

Risk management is fundamental to public sector operations, underpinned by legislative requirements for public sector entities to maintain risk management frameworks. These frameworks enable entities and agencies to identify and manage risks and opportunities that may arise while conducting their business.

When departments work across their traditional boundaries in a joined-up way, it is also important that the particular risks and opportunities inherent in this arrangement are identified and managed, as the actions of individual departments are likely to affect the activities of others. As the number of agencies involved in an area of activity increases, so too does the associated risk.

The requirement to manage joined-up risks has been well recognised since 2001, and was recently examined in VAGO's 2007 performance audit report—*Managing Risk Across the Public Sector*. The importance of risk management in joined-up working was also noted in the government's *Indigenous Affairs Review*, which formed the basis of the current governance arrangements.

From a joined-up perspective, common risks include:

- parties working to different goals, with outcomes not being achieved if goals for the initiative are not shared or clearly defined
- objectives not being met if sufficient and appropriate resources are not available, including skilled people

- initiatives floundering and not meeting their objectives if leadership is not clear
- difficulties in attributing accountability for success or failure if roles and responsibilities are unclear.

The agencies involved have not identified the risks and opportunities associated with the current joined-up arrangements under the VIAF.

3.4 Conclusion

Establishment of the governance arrangements underpinning the VIAF is a positive development and there is much goodwill across government supporting their intent. It reflects a joined-up approach to addressing a complex policy issue. With departments working in partnership, there is a greater chance of improving outcomes.

A spectrum is used to assess the adequacy of the VIAF arrangements given the nature of the framework goals. On the spectrum between 'lightly joined-up' and 'heavily joined-up' arrangements, the VIAF arrangements are, on balance, closer to the light end. The lack of coordinated program design is a key area for attention. Also, the associated governance arrangements are not robust, rather:

- they are complex
- timeframes are uncertain
- respective roles and responsibilities of the agencies involved are unclear, inadequately documented and not consistently communicated
- deliberate effort to identify joined-up risks and strategies to mitigate them is not evident
- the Ministerial Taskforce for Aboriginal Affairs' Secretariat's location in the Department for Planning and Community Development (DPCD) means it is distant from central agency coordination and funding processes and is not suited to the central agency-type role it carries out.

The permanency of the VIAF governance arrangements needs to reflect the long-term nature of the issues affecting Indigenous Victorians, and the government's long-term commitment to addressing these issues.

Recommendations

- 3.1. The Ministerial Taskforce for Aboriginal Affairs should reconsider whether the current location of the Secretariat in a line department provides the necessary authority, influence and proximity to the budget process to maximise its effectiveness.
 - 3.2. DPCD should:
 - clarify the roles and responsibilities of the Ministerial Taskforce for Aboriginal Affairs, Secretaries' Group for Aboriginal Affairs, Senior Officers' Group, Ministerial Taskforce for Aboriginal Affairs Secretariat and the Premier's Aboriginal Advisory Committee, so they are clearly and consistently communicated. Statements of responsibility should be developed as a priority for each of the entities. To maximise transparency and accountability, respective responsibilities of each entity should be publicly available
 - identify risks arising from the joined-up nature of the VIAF approach, and develop associated risk-management arrangements under the Indigenous affairs governance arrangements.
-

4 Planning in Indigenous affairs

At a glance

Background

Planning for Indigenous affairs is challenging and involves multiple agencies across government. Where issues cross departmental boundaries, a joined-up approach to planning is necessary. Performance monitoring is an important part of any initiative to measure progress against goals. This enables an organisation to assess whether it is achieving its objectives, driving performance improvement and providing accountability for activities. Performance monitoring is an important evidence base to inform planning.

Key findings

- There is no strategic or implementation plan guiding activity under the Victorian Indigenous Affairs Framework.
- Departmental draft action plans encapsulate the government's commitment to a joint planning framework as part of a range of initiatives to improve the planning and coordination of Indigenous affairs. The quality of the draft action plans is variable and they had not been approved by May 2008, as planned. Even though they are draft, agencies are working to these plans and have been for some time.
- Funding commitments are not matched to the scope and longevity of Indigenous needs being addressed by the VIAF.
- A performance monitoring framework for the VIAF is due for completion this year.
- Data limitations mean it is not possible to undertake robust assessments of progress against the VIAF's outcomes.

Key recommendations

DPCD should:

- expeditiously develop strategic and implementation plans for the VIAF
- undertake a planning 'stocktake' to align Indigenous affairs planning processes within and across departments (**Recommendation 4.1**).

In concert with the central agencies, DPCD should develop an investment map that clearly outlines the funding requirements during the term of the government's commitment to the VIAF, and how spending will match patterns of need and potential impact (**Recommendation 4.2**).

4.1 Introduction

Planning for Indigenous affairs is challenging. It is diffused across government according to portfolio responsibilities. For example, the Department of Human Services (DHS) has developed the Aboriginal Services Plan to improve outcomes for Indigenous Victorians. Similarly, the Department of Education and Early Childhood Development's (DEECD) recent Education Strategy for Koorie Students details how it will improve the education outcomes for Indigenous Victorians.

Because many issues that affect the health and well-being of Indigenous people do not fit within the responsibilities of a single department, planning by individual departments alone is unlikely to lead to improved outcomes. Where issues cross departmental boundaries, a joint approach to planning is necessary.

4.2 Strategic/implementation plan

Strategic plans provide high-level direction and focus for the entity they govern. A strategic plan provides an entity with the means to achieve its objective, as well as assurance that its objectives are being met. In the context of the Victorian Indigenous Affairs Framework (VIAF), a cohesive strategic and implementation plan is needed.

Such a plan will:

- clarify the assumptions underpinning the VIAF
- identify the immediate and final results, or objectives
- develop strategies to achieve the objectives
- identify the relevant areas of uncertainty or risk and how it will be managed
- capture the principles and priorities outlined in the VIAF
- set VIAF-related direction for the entities within the governance framework and administrative framework
- identify relevant areas of activity outside the VIAF framework, such as departmental activity that contributes to achieving the VIAF priorities.

It will also set out how the initiatives will be implemented, including;

- timeframes for implementation
- roles and responsibilities of those involved in implementation
- priority issues
- resources required
- how risks and barriers to implementation will be managed
- how implementation will be monitored¹.

¹ Department of the Prime Minister and Cabinet and the Australian National Audit Office *Implementation of Programme and Policy Initiatives: Making Implementation Matter* Better Practice Guide 2006.

DPCD, through the Secretariat is responsible for planning. It has developed a number of documents that contain elements of a strategic plan, such as short and long-term objectives, strategies and performance indicators. However, the elements have not been incorporated into a single, comprehensive document. In the absence of such a document it is difficult to determine whether the proposed actions will be effective in achieving the goal of the VIAF.

A work plan governs the tasks relating to the VIAF. The work plan is common to the Ministerial Taskforce for Aboriginal Affairs (the Taskforce), the Secretaries' Group for Aboriginal Affairs (Secretaries' Group) and the Secretariat. Figure 4A shows the work plan that has guided activity since the Taskforce's inception.

Figure 4A
Work plan for the Ministerial Taskforce for Aboriginal Affairs

Stage	Implementation progress
2006	Cabinet Taskforce re-established VIAF approved Secretariat to Taskforce established
2007 Quarter 1	Policy and Planning Framework complete, including fully developed overarching policy statement Priority action plans underway (i.e. DHS and DET) Other Departmental action plans underway Local plans underway, as appropriate ERC bids finalised Research priorities identified Proposal for Performance Monitoring Framework Proposal for establishment of database Communications plan underway Guest speaker presents to Taskforce on leading-edge strategies to address Indigenous disadvantage
2007 Quarter 2	Secretaries local intervention groups established Local plans where 'place based' interventions are to occur are complete Communication strategy finalised Community Cabinet consultation process established All departmental action plans complete First priority research project commenced Proposal for 'review of base' work underway Initial report on progress on implementation against priority areas Performance indicators for DHS ERC funded initiatives complete Review of Education Terms of Reference agreed Data mapping on location of Indigenous young people underway (request of Secretaries) <u>AAV:</u> <ul style="list-style-type: none"> • Seven local Indigenous representative groups established • More than 80 per cent of local Indigenous groups developing local plans
2007 Quarter 3	Performance monitoring framework in place Concept proposal for whole-of-government annual reporting aligned with performance monitoring framework Public sector Indigenous employment strategy underway Database established Second priority research project commenced (see data mapping request of Secretaries above)
2007 Quarter 4	Report back on priority research projects to inform ERC bid Performance report to taskforce Identification of ERC priorities for 2008-09

Source: Department of Planning and Community Development.

There are significant limitations with the work plan, including:

- it does not contain detailed information about what the actual tasks or projects involve, who is responsible and accountable for completion and the timeframes for which the tasks should be completed
- the Taskforce, Secretaries' Group and Secretariat all share the same work plan, blurring the accountability for completing the work
- in some cases, the date of expected completion has been changed without explanation. For example, in the first quarter, the status of priority draft action plans was changed from 'complete' to 'underway'
- where items on the work plan are behind schedule, there is no commentary around reasons for delay
- that it more closely resembles a document used for monitoring than planning, as it is written in past tense.

The 2008 work plan is an improvement on the previous year's plan, detailing actions, responsibility and timeframes. However, it is common to the Taskforce, Secretaries' Group and Secretariat, and provides no opportunity to comment on reasons for delay. As the work plan is not linked to a strategic plan, it is not clear how tasks are identified or prioritised, or how tasks will be undertaken.

4.3 Joint planning in Indigenous affairs

The VIAF commits the government to a joint planning framework, as part of a range of initiatives to improve the planning and coordination of Indigenous affairs. In part, the departmental draft action plans achieve this commitment.

Departments were required to jointly develop action plans for 22 strategic change indicators (SCI), the indicators the government will use as 'markers' of longer-term improvement against its short-term strategic areas for action. Appendix B details the strategic areas for action and their associated SCIs that form the basis for the draft action plans. For example, where the government aims to improve literacy and numeracy, two plans will be developed to achieve this: one to improve school attendance rates and one to improve literacy and numeracy for Years 3, 5 and 7. Each draft action plan targets a SCI. Appendix C details the elements of the action plans.

In addition to departmental portfolio planning, there are a number of planning processes that have been established under the VIAF. These include:

- local Indigenous network community plans
- action plans as outlined above
- plans for place-based initiatives.

The relationship between the various VIAF planning processes is not clear. It is also unclear how these planning processes interact or align with the portfolio responsibilities of departments. We consider the lack of clarity is due, in part, to the absence of an overarching or strategic plan for the VIAF.

4.3.1 Departmental draft action plans

Many of the draft action plans have missing or incomplete information and do not address core requirements, such as the principles for effective Indigenous program activity. The audited agencies have acknowledged shortcomings in the quality of the draft action plans. DPCD is working with departments to improve the plans so they meet the Taskforce's requirements. This includes ensuring the plans focus on issues that cross departmental boundaries and that can not be addressed by one department. Even though the action plans are in draft form, agencies are working to them and have been for some time.

Departments were due to complete their plans by June 2007, with priority plans due by March 2007. As one plan encompasses three SCIs, in total 20 actions plans will be prepared. DPCD advised that the draft action plans would be finalised and approved by the Ministerial Taskforce for Aboriginal Affairs in May 2008. This has not occurred. DPCD envisage that each plan will be subject to ongoing revision after the performance monitoring framework is finalised.

4.3.2 Investment planning in Indigenous affairs

Funding for Indigenous Victorians has increased significantly since 1999–2000. Much of the increase has been for programs and services and the funding was included in the annual budget process for individual departments. Many of these initiatives were announced before the VIAF was formally released. Given the VIAF's long-term commitment, it is important that the government also plans for funding needs over the long-term and that resources are directed to the areas of greatest need and highest potential impact.

The Taskforce has recently reviewed funding arrangements for Indigenous affairs. The *Review of the Base* report, that DPCD and DTF developed, analysed additional and targeted Indigenous investment across the whole-of-government since 2000–01. The review's aims were to:

- better understand state funding allocation for programs targeted at Indigenous Victorians
- examine the funding allocation for the VIAF's Strategic Areas for Action and where appropriate, the Council of Australian Government's Overcoming Indigenous Disadvantage framework.

The review was completed in February 2008 and was expected to provide a broad analysis of the trend data on investment allocations for Indigenous-specific initiatives approved through the 2000–01 to 2007–08 state budgets. It was also expected to provide qualitative and quantitative analysis on the potential impacts of investment initiatives on Indigenous-related outcomes.

Preliminary findings presented to the Secretaries' Group included that:

- 20 per cent of funding initiatives announced in the 2006–07 budget papers are not ongoing
- overall funding is expected to decline from 2009–10 onwards.

DPCD has identified the need for an 'investment map' that outlines the funding requirements for the government's commitment to the VIAF. Recognising that investment in Indigenous affairs has been ad hoc, short-term and not always appropriately directed for sustained improvement; DPCD has sought the input of the Secretaries' Group on the development of a multi-year Indigenous investment framework. Figure 4B shows elements of the proposed investment framework as at May 2008.

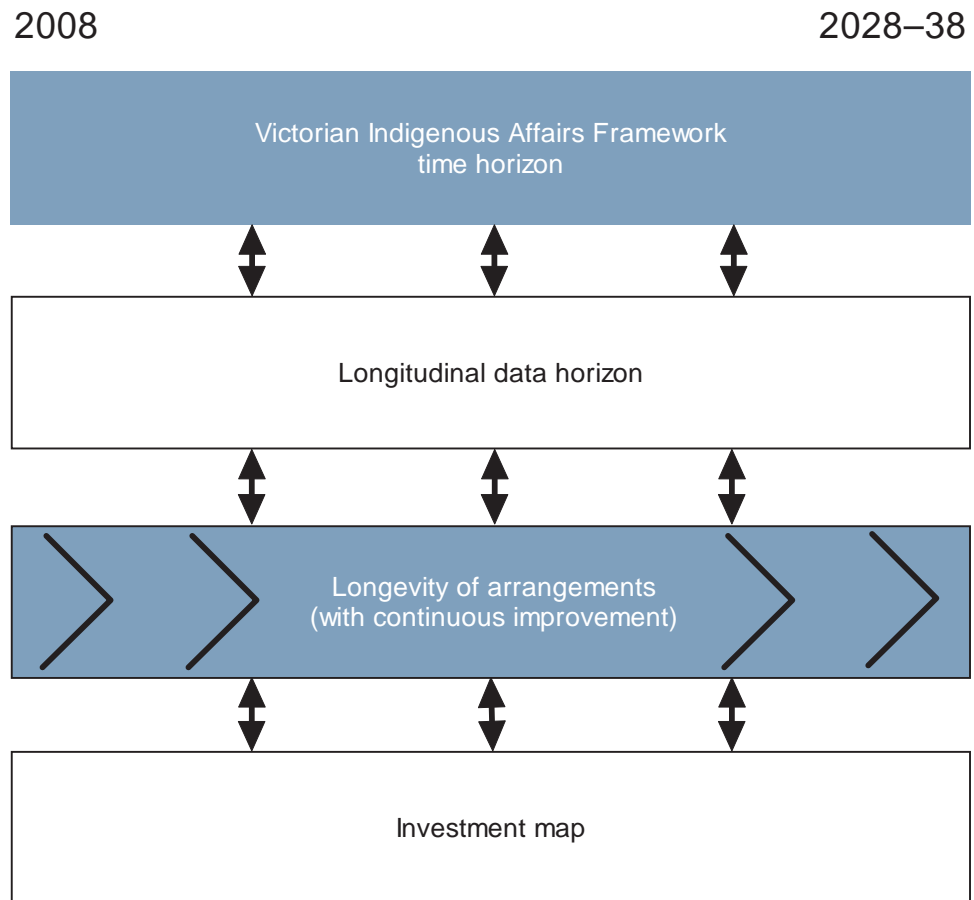
Figure 4B
Elements of the proposed investment framework

- Confirm alignment to the VIAF strategic areas for action and identification of proposed program contribution to VIAF strategic change indicators and Council of Australian Government (COAG) targets.
- Identify an appropriate balance between investment to sustain existing services to meet required outputs and defined levels of quality, and grow services to meet escalating demand and/or increased quality levels.
- Identify appropriate timeframes for realising and evaluating return on investment. For example, short-term (1–5 years); medium-term (5–10 years); longer-term (>10 years).
- Consider alternative risk thresholds for funding innovative programs/pilots and/or leveraging off those programs.
- Identify a mechanism for evaluating the prioritisation and/or re-prioritisation of funding decisions. This may include dependencies between programs; potential 'whole-of-life' return on investment; potential downstream savings and/or costs.

Source: Department of Planning and Community Development.

Figure 4C shows figuratively the relationship between the VIAF time horizons and the associated longitudinal data, governance arrangements and investment map.

Figure 4C
Figurative depiction of proposed elements over
2008 to 2028–38 time horizons



Source: Victorian Auditor-General's Office.

As part of its commitment to joint planning, the government has established a joint funding process for annual budget allocations. This process aims to enhance the way relevant departments address issues and to increase the flexibility of funding arrangements. Examples of funding resulting from a whole-of-government submission for Indigenous affairs are shown in Figure 4D.

Figure 4D
Examples of funding from a whole-of-government submission for Indigenous affairs

- \$1.1 million to continue support services for Aboriginal women during pregnancy and the postnatal period
- \$1.8 million over two years to the Koori Business Network to promote Indigenous business products and services, develop new Indigenous businesses and create employment pathways
- \$2.7 million to provide up to 10 hours per week free access to kindergarten for Aboriginal three-year olds
- \$4.1 million to increase the number of preschool assistants working with Aboriginal children in the Koori Early Childhood Education Program
- \$1.8 million to provide support to Aboriginal parents preparing their children for preschool through home-based early childhood enrichment programs
- \$2.9 million to conduct a comprehensive study into the health and well-being of young Indigenous Victorians aged between 0-18 years through a new Victorian Indigenous Childhood Health, Development and Well-being Survey.

Source: Victorian Auditor-General's Office, based on information provided by the Department of Planning and Community Development.

Joint funding processes are an important a step in the right direction for the VIAF. However, without appropriate strategic and implementation plans, it is not clear how projects are selected or prioritised for funding and the extent to which the funding process is supporting collaborative implementation. Timeframes and accountability requirements are also unclear.

4.3.3 Collaboration

A key element of joined-up working is the involvement of agencies and other stakeholders in planning. The design of the draft action plans for Indigenous affairs is dependent on collaboration between the lead and contributing agencies, to ensure effective strategies are developed. Examples of collaboration under the VIAF are provided below.

Department of Education and Early Childhood Development

DEECD is the lead department for three draft action plans. To collaborate with the contributing departments, it used a committee structure set up to oversee and conduct a *Review of Educational Outcomes for Indigenous Students*. The inter-departmental committee was chaired by the DEECD Secretary and included representatives from the peak Indigenous education body Victorian Aboriginal Education Association Inc. (VAEAI), and six other departments. Subgroups of the inter-departmental committee, with cross-departmental representation, were also established to focus on specific areas.

Department of Human Services

DHS was the lead department for two draft action plans, covering four strategic change indicators. The collaborative arrangements for these draft action plans were complicated by machinery-of-government changes in 2007. The subsequent transfer of Early Childhood Services from DHS to DEECD affected the capacity to collaborate through existing structures. The two departments have re-established collaborative mechanisms through the Aboriginal Services Coordination Committee.

For the development of the draft action plan to address child abuse, there was extensive collaboration within DHS itself. While the Department of Justice (DOJ) and DPCD were identified as contributing departments, consultation with these departments is yet to occur.

Department of Justice

The Department of Justice (DOJ) was the lead department for five draft action plans. It convened two workshops with stakeholders, including DHS, DPCD and DEECD, which led to some refinement of its plans. DOJ advised us that as many of its draft action plans were based on the Aboriginal Justice Agreement Phase 2 (AJA2), developed in 2006, much of the collaboration occurred then.

Figure 4E
Examples of collaboration across government

<p>Review of Educational Outcomes for Indigenous Students</p> <p>In 2007, the Department of Education and Early Childhood Development, in conjunction with several other departments, undertook a review of Indigenous education in Victoria. The review was prompted by statistics that revealed that despite the significant investment in Indigenous education in the past, the literacy, numeracy and writing abilities of Indigenous children were on average significantly below that of non-Indigenous students.</p> <p>As a result of the review, the government has adopted a new education strategy (Wannik) for Indigenous students in Victoria, with an overarching principle of delivering them the best possible education.</p> <p>Development of a Common Funding Agreement for Indigenous Organisations</p> <p>In 2007, the Secretaries' Group for Aboriginal Affairs endorsed a common framework for funding agreements between the state and Indigenous organisations that included the use of common terms and conditions for funding. To support consistent application of these terms and conditions, and to promote greater consistency in the funding relationship that different government departments have with Indigenous organisations, <i>A Guide to Victorian Indigenous Funding Agreements</i> was developed. Officers from across government, as well as Indigenous peak bodies and organisations, participated in developing these products.</p> <p>The common funding agreement aims to reduce the administrative burden borne by community boards, and supports the intent to work more collaboratively in Indigenous affairs—both across government departments and with the Indigenous community.</p>
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Source: Department of Planning and Community Development.

4.4 Consultation and communication

Consulting and engaging with the Indigenous community is a core element of the VIAF. It is also a core element of the planning process, ensuring that planned actions take account of the views and experience of the people they seek to target. There are a number of ways in which government departments consult and communicate with Indigenous organisations and people, as set out below.

4.4.1 Consultation between government and Indigenous organisations

Department of Education and Early Childhood Development

Yalca, the Victorian Indigenous education policy was released in 2001. DEECD, through the Koorie Strategy Branch has a longstanding consultative relationship with the Victorian Aboriginal Education Association Inc (VAEAI). It attends the quarterly meetings of the VAEAI Committee of Management, a statewide group representing Indigenous education interests.

Department of Human Services

DHS's primary mechanism to consult with the Indigenous community organisations is the Aboriginal Human Services Forum (AHSF). The AHSF was developed out of the department's *2004 Aboriginal Services Plan*, and the need to establish a communication vehicle with peak Indigenous organisations and DHS representatives from each region. Aboriginal controlled organisations are represented on regional reference groups, which provide a vehicle for dialogue with DHS. The AHSF meets three times each year, and consults with the peak Indigenous organisations representing Indigenous health, housing, children, education and community services. DHS plans to broaden the current membership of the AHSF, to include DEECD to improve integration with school years strategies.

Department of Justice

DOJ has extensive mechanisms in place to consult with Indigenous community organisations. These mechanisms include the Aboriginal Justice Forum (AJF) and Victorian Aboriginal Justice Advisory Committee (VAJAC), as well as the Regional Aboriginal Justice Advisory Committees (RAJACs), and Local Aboriginal Justice Action Committees (LAJACs). The regional and local committees provide an avenue for consulting with grassroots Indigenous organisations, as well as supporting and coordinating local Indigenous community justice initiatives, and contributing to the development, implementation and monitoring of regional Aboriginal justice plans.

The AJF is responsible for overseeing the development, implementation and direction of the AJA2, which was developed through consultation between government and representatives from the Indigenous community.

4.4.2 Consultation between government and Indigenous people

As part of its coordination and management framework, the VIAF identifies the Premier's Aboriginal Advisory Council (PAAC) as a key mechanism for consultation between government and Indigenous people. Local Indigenous Networks (LINs) and Regional Indigenous Councils (RICs) are a source of advice for PAAC. AAV is responsible for establishing these new representative arrangements.

The LINs are the foundation of the consultative mechanism, with grassroots representation from local Indigenous people. They are expected, in conjunction with Indigenous community engagement brokers, to develop a local community plan, which includes the following aims:

- to identify resources in the area
- to build stronger links with local government and local planning arrangements
- to increase local Indigenous community participation
- to increase awareness of, and access to, local programs and services.

The Indigenous community engagement brokers that DPCD employ also lead the implementation of the community plans, in partnership with other local and government stakeholders.

LINs are also expected to link into existing local structures, in particular Aboriginal Community Controlled Organisations (ACCOs), RAJACs and Local Aboriginal Education Consultative Groups (LAECGs).

AAV had planned to develop 38 LINs by the end of 2009–10. To date, eight have been established in different regions of Victoria. AAV expects to establish eight regional Indigenous councils (RICs) once the regional LINs are established. RICs are regionally based councils with two representatives from each LIN in the area and will provide regional representation of Indigenous Victorians. There will be eight RICs—the leaders of which will form a three-person executive and become members of PAAC, as noted in the VIAF. While the new representative arrangements are being implemented, three Indigenous representatives have been nominated onto PAAC for an interim period.

4.4.3 Place-based initiatives

In addition to the coordination and management arrangements outlined above, four departmental secretaries have been charged with responsibilities for place-based initiatives. The place-based initiatives focus on:

- developing responses
- connecting service systems
- targeting resources at a local level, in areas with high Indigenous populations.

Place-based projects, led by a departmental secretary, are being developed in Mildura, Casey, Whittlesea and Lakes Entrance. The Secretaries' respective departments are responsible for developing a Local Indigenous Community Partnership Plan with the local Indigenous community.

4.5 Monitoring performance in Indigenous affairs

Performance monitoring is an important part of any program or activity, and is used to measure progress against goals. It enables:

- organisations to assess whether their stated objectives have been achieved
- drives performance improvement
- underpins accountability.

Joined-up approaches also need tailored performance information and reporting processes to assess whether cross-agency actions are achieving their intended results.

4.5.1 Monitoring VIAF performance

A performance reporting framework for the VIAF is due for completion in 2008. The framework proposes an architecture that accommodates:

- goals related to each strategic area for action
- measures for each of the strategic change indicators
- measures that identify progress against addressing those risk and protective factors that influence pathways to disadvantage.

In the absence of a performance monitoring framework, assessing progress in Indigenous affairs relies on the performance monitoring systems of individual departments.

4.5.2 Data

Reliable data are important in two respects:

- they assist with the identification of needs, leading to the planning and development of evidence-based interventions or programs
- they are important for measuring whether interventions and programs achieve the desired outcomes.

There is a range of national data that can assist with identifying areas requiring program intervention and monitoring performance. These data include high-level reports and associated datasets such as Census data, the Productivity Commission's annual *Report on Government Services* and its biennial *Overcoming Indigenous Disadvantage* report.

In Victoria, many of the programs contributing to the achievement of the VIAF goals are departmental programs that are managed within a specific department. While departments collect data, to date it has mainly focused on measures, such as participation rates and quantity output measures. For example, the performance measures for one program are the number of times the program has been run and the number of people who attended and stayed for the duration of the training. These measures, while useful, do not provide insight into whether the program was beneficial or achieved its purpose.

Departments cited several challenges and limitations that affect their ability to collect and use reliable data, including:

- variability of data quality and accuracy
- lack of consistency and standardisation in identifying Indigenous people across departmental datasets
- access to data within and across government departments
- variance in data systems that affect the ability to extract and export data
- timeliness of data availability.

While the national and program-level data provide some information on the target population and the effectiveness of interventions, they do not provide information on the effectiveness of interventions that cross departmental boundaries.

To address the VIAF goals and assess the effectiveness of joint departmental programs and interventions, the challenges and limitations outlined previously will need to be overcome. In the interim, agencies need to develop mechanisms for data sharing so that issues that manifest themselves within one department and require an intervention from a different department can be identified and addressed. For example, while school absenteeism is identified and recorded within the education portfolio, the causes of absenteeism may require an intervention from DHS or other departments.

Additionally, joint datasets that align across departments need to be developed, with common definitions and data collection practices. Joint datasets should:

- optimise the use of available information about needs, as a planning and program design aid
- help identify areas that require joint interventions
- facilitate robust assessments and reporting of VIAF programs.

4.5.3 Public reporting

DPCD tables a report on Indigenous affairs in Parliament annually. Before the 2006–07 report, the focus of the reporting was on achievements, while also foreshadowing activity in the following year. Achievements were largely activity-based, with no data to measure outcomes or improvements in health and well-being.

In mid-2007, the Ministerial Taskforce for Aboriginal Affairs endorsed a change in the annual reporting of Indigenous affairs from a thematic basis to a format more closely aligned with the strategic areas for action and strategic change indicators in the VIAF. This represents a significant improvement, and while the focus largely remains on activities, some current performance data, with corresponding 'long-term close the gap indicators', have been included. The new reporting format should allow for improved tracking of performance over time.

4.6 Conclusion

Strategic planning is an important part of public sector activity. It is the process where goals are set and the actions to achieve the goals are established. There is no strategic plan for implementing the VIAF. While the framework itself captures principles and priority areas for outcomes, there is no plan to guide the effort of the agencies involved.

While some progress has been made under the VIAF, in the absence of a comprehensive plan, gains in improving Indigenous health and well-being are less assured.

Departments are required to jointly develop draft action plans for 22 strategic change indicators under the VIAF. The government will use these indicators as 'markers' of longer-term improvements against its short-term strategic areas for action. Finalisation of the draft action plans has been significantly delayed and this will impact on the achievement of the VIAF's short-term goals.

The performance framework is under development. It is a priority and should improve accountability. In the absence of a performance monitoring framework that complements the outcomes in the VIAF and the joined-up approach of the draft action plans, assessment of progress relies on departmental performance monitoring systems. These are not well placed to capture joined-up progress. Performance assessments of programs and initiatives need to focus on benefits provided, rather than the current focus on inputs and outputs.

Improvements in data capture and analysis will also assist agencies in ensuring initiatives are targeted at the areas of greatest need and greatest potential benefit. Agencies have not developed joint datasets and have not jointly identified data needs. Alongside the Victorian Auditor-General's Office's (VAGO) recommendation to strengthen the VIAF governance arrangements and prepare an investment map, the VIAF agencies need to work together to build a clear understanding of data needs and to collect longitudinal data on the progress of Indigenous Victorians over the generational time horizon of the VIAF. Such data will facilitate accurate matching of coordinated interventions with needs and potential impact. There is an immediate need for anonymous, longitudinal data that follows cohorts, to be collected and shared among the relevant agencies. Such data would better equip agencies to target their efforts and expenditure.

As part of its commitment to joint planning, the government has established a joint funding process for annual budget allocations. This is a positive step, and aims to enhance the way departments address issues and to increase the flexibility of funding arrangements. It is not clear that current resourcing will achieve the government's long-term goal of closing the health and well-being gap between Indigenous and non-Indigenous people. There is a pressing need for a detailed 'investment map' that will show the funding requirements over the term of the government's commitment for the VIAF. DPCD's recent proposal to establish an investment framework is a good initiative, but it must be followed through to ensure government spending matches patterns of need.

Recommendations

4.1 DPCD should:

- expeditiously develop implementation and strategic plans for the VIAF
- undertake a 'stock-take' of planning to align Indigenous affairs planning processes within and across departments.

4.2 In concert with the central agencies, DPCD should develop an investment map that clearly outlines the funding requirements during the term of the government's commitment to the VIAF, and how spending will match patterns of need and potential impact.

Appendix A.

Audit conduct

Audit objective

The audit objective was to examine how well services and initiatives for Aboriginal people are planned and coordinated across the Victorian public sector.

Audit method

The audit examined the governance, administrative and funding arrangements within and across a selection of the Victorian public sector bodies involved in planning and service delivery for Aboriginal people, namely:

- the Departmental of Planning and Community Development, including:
 - Aboriginal Affairs Victoria (AAV)
 - the Secretariat that supports the Ministerial Taskforce, Secretaries Group for Aboriginal Affairs and the Senior Officers Group for Aboriginal Affairs
 - the Secretaries Group for Aboriginal Affairs and the Senior Officers Group for Aboriginal Affairs, via the supporting Secretariat
- the Departmental of Justice (including the Indigenous Issues Unit)
- the Departmental of Human Services (including the Koori Human Services Unit)
- the Departmental of Education and Early Childhood Development (including the Koorie Strategy Branch).

The operations of the Ministerial Taskforce for Aboriginal Affairs and the Premier's Aboriginal Advisory Council, part of the VIAF coordination and management framework, were considered through the administrative and governance arrangements of the Secretariat and Secretaries' Group for Aboriginal Affairs.

Within AAV, the audit focused on the Indigenous Community Capacity Building, Social Policy and Strategic Projects, Economic Development and Strategic Projects, and Legal Policy and Services units. The audit did not examine the activities related to the cultural and heritage programs that AAV administer, as they do not directly relate to the whole-of-government focus of the VIAF.

The audit also excluded the activities of community-based agencies and community stakeholders, and specific programs, services and initiatives.

The audit was performed in accordance with the Australian Auditing Standards applicable to performance audits, and included tests and procedures sufficient to enable audit conclusions to be reached.

The total cost was \$362 000 and included staff time, overheads and printing.

Audit criteria

The audit assessed how well services and initiatives for Aboriginal people were planned and coordinated, and to ensure consistent assessments, criteria were developed. The following criteria, reflecting better practice, were based on authoritative literature and national and international practice:

- roles, responsibilities and accountabilities are clearly identified and understood
- inter-agency risks are identified and managed
- adequate arrangements are in place to ensure resources are used efficiently
- appropriate performance monitoring occurs to assess progress
- meaningful consultation and communication across government agencies and bodies occurs
- meaningful consultation and communication with community stakeholders occurs.

Acknowledgements

The audit team consulted with a range of people and organisations to obtain information. We thank those involved for their assistance. We would also like to thank the staff from the following Indigenous organisations:

- Victorian Aboriginal Community Controlled Health Organisation
 - Victorian Aboriginal Education Association Inc
 - Victorian Aboriginal Legal Service
 - Aboriginal Housing Board of Victoria
 - Victorian Aboriginal Child Care Agency
 - Victorian Aboriginal Community Services Association Ltd.
-

Appendix B.

VIAF performance framework

Victorian strategic area for action	Strategic change indicators
1. Improve maternal health and early childhood health and development.	<p>1.1. Reduce reported smoking and alcohol use in pregnancy by Indigenous mothers.</p> <p>1.2. Reduce the Indigenous perinatal mortality rate.</p> <p>1.3. Increase the percentage of Indigenous babies with birth weight at or above 2 500g.</p> <p>1.4. Increase the Indigenous four year-old kindergarten participation rate.</p> <p>1.5. Reduce the rate of Indigenous child protection substantiations.</p>
2. Improve literacy and numeracy.	<p>2.1. Improve school attendance rates for Indigenous students.</p> <p>2.2. Improve literacy and numeracy in Years 3, 5 and 7 for Indigenous students.</p>
3. Improve Year 12 completion or equivalent qualification and develop pathways to employment.	<p>3.1. Improve transition to Year 10 for Indigenous students.</p> <p>3.2. Increase completion of Year 12 or equivalent qualifications for Indigenous students.</p> <p>3.3. Increase Indigenous participation in state-funded employment programs.</p>
4. Prevent family violence and improve justice outcomes.	<p>4.1. Increase in police responding to and taking action on any Indigenous family violence incidents reported to them.</p> <p>4.2. Reduce repeat police call outs for Indigenous family violence incidents.</p> <p>4.3. Reduce the number of times Indigenous youth are processed by police (arrest and summons and caution).</p> <p>4.4. Increase the proportion of Indigenous people cautioned when processed by police.</p> <p>4.5. Reduce the proportion of Indigenous people remanded in custody.</p> <p>4.6. Reduce the proportion of Indigenous adults sentenced to prison, rather than other orders.</p> <p>4.7. Reduce the proportion of Indigenous adults/youth who are convicted within two years of their previous conviction.</p>

Victorian strategic area for action	Strategic change indicators
5. Improve economic development, settle native title claims and address land access issues.	5.1. Increase Indigenous participation in state-funded employment programs. 5.2. Increase the proportion of Indigenous people with access to their traditional lands.
6. Build Indigenous capacity.	6.1. Increase workforce participation by Indigenous people in the public sector in ways which can drive improvements in the Victorian Strategic Areas for Action. 6.2. Increase the proportion of board members of large Indigenous organisations (\$1m plus of public funds per annum) having undertaken rigorous governance training. 6.3. Increase the proportion of Indigenous Cooperatives and other organisations meeting their statutory obligations.

Source: Victorian Indigenous Affairs Framework.



Appendix C.

Departmental action plan elements

Strategic Change Indicator Action Plan Templates

1. VIAF strategic change indicator
2. Lead department
3. Contributing departments
4. Strategic context (including links to COAG OID and NRA and other ministerial council commitments)
5. Current outcome performance for measures agreed for each SCI
 - 5.1 Victorian Indigenous outcome
 - 5.2 Victorian Non-Indigenous outcome
 - 5.3 Australian Indigenous outcome
 - 5.4 Victorian Indigenous outcome by region/LGA
 - 5.5 Victorian Indigenous trend data
 - 5.6 Proposed progress indicators (Annual reporting on 5.1-5.6)
6. 2010 Victorian statewide Indigenous outcome performance target (internal to government)
7. Overview of key issues by SCI:
 - 7.1 What is the problem?
 - 7.2 What is the evidence? (Drivers of the SCI, including demographics of this issue)
 - 7.3 What are we already doing and where are the gaps? (Current program drivers and any evaluation and program data)
 - 7.4 What are other jurisdictions doing? (What has worked and is transferable to Victoria)
 - 7.5 What more can be done? (What more can the lead department do. What is required from other departments? What commitments have been secured from all departments for new or refocused action?)
 - 7.6 What are the locational priorities and areas of focus? (Are some parts of the state requiring a tailored response based on level of performance against SCI or current infrastructure or other conditions which are particular to the location? Are there links to existing initiatives?)

Strategic Approach

8. Policy/program action commitments to achieve WoVG solutions (budget neutral):
 - 8.1 In 2007
 - 8.2 In 2008
 - 8.3 By 2010
9. Budget investment plan
 - 9.1 Policy and program option(s) for ERC1 consideration 2008–09:
 - 9.2 Relationship of options to reform of program base
10. How is the plan meeting the principles for effective Indigenous program activity endorsed by the MTAA in December 2006¹?
11. How is the plan activating the government/community partnership principles of the VIAF?

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- ¹ Demonstrably lead to improved outcomes for Indigenous children, young people and their communities.
 - Recognise the multi dimensional nature of Indigenous disadvantage and specifically address risk and protective factors including those specific to Indigenous people.
 - Be evidence based and underpinned by sound theory, program logic and demonstrated causality.
 - Demonstrate a coherent whole of government approach.
 - Develop a governance structure which reflects a whole of government approach and actively involves Indigenous communities, preferably through new representative and community engagement arrangements.
 - Build community capacity in the Indigenous community, including through human capital development and organisational development.
 - Address mainstream and Indigenous specific service delivery structures and the relationships between them.
 - Address key transitions for children and young people and provide the capacity to intervene before crisis points are reached.
 - Result in a network of interventions which create innovations in service delivery that are able to be evaluated and replicated.
 - Lead to reform of the program and service delivery base over time so that activity is aligned with VIAF and current and future investment is optimised.

Source: Department of Planning and Community Development.

Appendix D.

Department of Planning and Community Development response

Response to Recommendation 3.1

The Department of Planning and Community Development (the department) notes that the decision to locate the Secretariat in the department was made by the government and any change to policy is a matter for government.

Response to Recommendations 3.2, 4.1 and 4.2

The department notes the recommendations on governance arrangements and planning in Indigenous affairs.

The department provides the following comments across these recommendations

The adoption in Victoria of a whole-of-government approach to Indigenous issues has been driven by the urgent priority to reduce the gap between life outcomes for Indigenous and non-Indigenous citizens in this state. This reflects the national priority accorded this challenge by the Council of Australian Governments.

In establishing a Ministerial Taskforce in July 2006, supported by a Secretaries' Group and Secretariat, the Victorian Government recognised that high-level leadership and commitment was required to transform traditional programmatic responses which have failed over many years across all jurisdictions to improve the outcomes for Indigenous Australians.

The Ministerial Taskforce, taking as its strategic frame of reference the Victorian Indigenous Affairs Framework (VIAF), has instead focussed its attention on three specific outcome areas of improving maternal and early childhood health and development, improving literacy and numeracy and improving Year 12 completion or equivalent qualification and developing pathways to employment. These were priorities set by the Premier. Priority has been given to ensuring that the plans and actions of departments are focused on achieving improved outcomes in each of these areas and that the results are measured. Departments are being held directly accountable and responsible both for delivery and risk management.

This approach has, in its short period of operation, delivered some important achievements that are not adequately acknowledged in the report. These include:

- *the identification of the three priority areas for action, which have been subsequently adopted by COAG as national priorities under the Indigenous Reform Agenda. This early work by Victoria has positioned the state to respond quickly to COAG's request to focus on early childhood development as a reform priority and provide leadership in this area.*
- *the development of a whole-of-government approach to budget consideration of Indigenous affairs that ensured the three priority areas were given a focus. This approach has secured more than \$60m in funding in the 2007–08 and 2008–09 budgets across the three priority areas. Initiatives funded have included:*
 - *free kindergarten for 3-year-old Indigenous children who have parent(s) with concession cards*
 - *the development of a comprehensive Koori education strategy that will improve outcomes in literacy and numeracy and Year 12 completion*
 - *additional funding for Koori maternal and child health services*
 - *the establishment of in-home support for Indigenous parents and children*
 - *employment programs focused on young Indigenous Victorians*
 - *strengthening and building capacity of Indigenous specific service providers delivering services to children and families*
 - *improving services and programs for Indigenous children and families affected by family violence.*
- *the initiation in 2008 of a whole-of-government investment plan*
- *the establishment of four local Indigenous community partnership projects that aim to engage local Indigenous people, together with a range of government service providers to address local concerns and barriers to improving outcomes in the three priority areas. These projects are attracting the interest and financial support of the Commonwealth*
- *the review of educational outcomes for Indigenous students that resulted in the release of Wannik in February 2008*
- *the development of the VIAF planning processes and enhanced reporting of Indigenous outcomes, as reflected in the most recent annual whole-of-government report on Aboriginal affairs*
- *the development of a performance management framework that will support accountability and reporting*
- *the development of a common funding agreement for Indigenous organisations that will reduce administrative red tape and promote the focus on joined-up government*
- *greater assessment and identification of cross-cutting issues of strategic importance that require collaborative action, such as the development of a Koori alcohol plan.*

The department comment on roles and responsibilities within the governance and administrative framework

Roles and responsibilities

The department notes the recommendation in relation to clarification of roles and responsibilities and will ensure that these are reviewed during the initiative to reflect the experience gained and ensure clarity for all participants. We also note that the role and responsibilities of Cabinet committees are a decision for the executive arm of government.

Risk-management

The department believes that the approach to risk-management currently being taken is appropriate for the establishment phase of the whole-of-government initiative. The Allens Consulting Review of Indigenous Affairs (2006) indicated that it would be important that guidelines be developed to support development of departmental action plans to help manage the risk that this work entails. This occurred and the development of action plans was further supported by two full day workshops for departmental officers.

The whole-of-government VIAF performance framework, which has now been developed, is also integral to effective risk-management.

As the work plan indicates, the first year of work has concentrated on establishing building blocks for reform, which will sustain the long-term and inter-generational effort required to address Indigenous disadvantage. These building blocks will provide a basis for more integrated risk-management strategies as planning progresses in future years.

However, the department would agree that at this stage it is important to ensure that individual departments' risk-management strategies properly account for risks.

The department comment in relation to Section 4—Planning in Indigenous Affairs

The department notes recommendations in relation to 'expeditiously developing strategic and implementation plans for the VIAF' and 'undertaking a stock take of planning to align Indigenous affairs planning processes within and across departments. These recommendations need to be put into the context of the approach that the Taskforce has taken to its work at this stage of its operations. In its first year, concentrated effort has been directed to establishing the foundations for a program of sustained reform across government. As Audit has been advised, a comprehensive suite of planning documents has already been prepared. These include:

- *The Victorian Indigenous Affairs Framework (VIAF)—The VIAF sets out six strategic areas for action to address the overarching goal of closing the gap in life expectancy for Victoria’s Indigenous people. Within each strategic area for action are strategic change indicators, which guide the key actions that need to be taken to effect change in the strategic area for action. The VIAF clearly signposts where government should focus future activity. It sets a timeframe of 15 years.*

The Premier has also directed the Taskforce to give priority to the first three areas of the VIAF, namely antenatal and early childhood health and development; literacy and numeracy; and school retention and pathways to employment and vocational training.

- *A policy framework Creating better outcomes and opportunities—priority actions to break the cycle of disadvantage —A policy framework underpins the VIAF and provides policy direction for actions to be taken, with a particular focus on the Premier’s priority areas. The policy framework sets out key themes, common goals and strategies and mechanisms for change as well as governance arrangements and locations for selected place-based responses. The policy framework provides coherence for the development of departmental and local action plans, reform and rationalisation of delivery and for ERC bids.*
- *A work plan, which provides a descriptive overview and rationale for key elements of work and a summary work plan. The work plan concentrates on putting in place the foundations to sustain a short-to medium-term program of reform. Project plans are developed for the elements of work set out in the work plan and these are endorsed by the Secretaries’ Group and/or the Taskforce as appropriate. The development of action plans and the performance management framework are key elements of the first year of work. We note that VAGO’s report presents the summary part of this work plan under Figure 4A as if it were the entire work plan. It is in fact only one element of the work plan.*
- *Departmental action plans—SDCC endorsed the development of departmental action plans against the VIAF. These are a means of increasing policy and program alignment, coordination and accountability for improved outcomes in Indigenous affairs. Action plans have now been developed by departments against the VIAF strategic change indicators. These plans have a lead officer/department and collaborating officers, in recognition of the cross-government effort that is required to achieve improved outcomes.*

A result of the action plans has been the identification of critical cross-government actions that need to be taken to improve outcomes in the strategic areas of action. This cross-government work is proceeding in 2008.

- *Local indigenous networks (LINs)—The department comment in relation to Section 4.4.2 (Consultation and communication, p39). Eight LINs were established in 2006–07. To date, 17 LINs have been established.*

- *Performance framework—The performance framework sets out the architecture and the targets and timeframes for measuring progress against the strategic change indicators in the VIAF.*

As the department's supporting documentation indicates, the action plans, along with the performance framework, are the key building blocks for the development of a coherent overarching implementation plan for the VIAF. Both the performance framework and action plans are now at a stage that work on the latter can occur.

Investment planning

The department notes that the development of an investment plan is already underway.



Appendix E.

Department of Education and Early Childhood Development response

The department has noted the recommendations and would like to provide the following comments:

- *The Ministerial Taskforce and associated structures has been a welcome enhancement and provided significant value to the work already undertaken and underway by a number of departments in progressing outcomes for Indigenous Victorians across a board range of portfolios*
 - *The development of strategic and implementation plans to progress the Victorian Indigenous Affairs Framework is well advanced*
 - *The development of an investment map aligning with identified need and projected outcomes would be welcomed.*
-

Appendix F.

Department of Justice response

Governance Arrangements in Aboriginal Affairs

The department concurs with the Auditors' conclusion that the establishment of governance arrangements underpinning the Victorian Indigenous Affairs Framework (VIAF) is a positive development and that there is much goodwill across government supporting their intent.

The Department of Justice would like to acknowledge the work of the Ministerial Taskforce on Aboriginal Affairs (MTAA) and its Secretariat since the development of new governance arrangements in 2006. The completion of the VIAF and the associated governance arrangements has created a platform for the development of greater collaboration across departments and horizontal integration of activity in Indigenous affairs.

This type of work is highly complex and often takes time to build and put in place a strong foundation and necessary arrangements to facilitate the required change. In addition to building the administrative arrangements, it requires the building of relationships, the negotiation of boundaries and the development of agreed priorities to assist the targeting of resources and effort. Now these arrangements are largely in place, it is anticipated that the momentum of change will accelerate rapidly.

There have been some significant achievements in a relatively short timeframe, including the development of three priority areas for action (subsequently adopted by the Council of Australian Governments), a whole-of-government Aboriginal affairs budget process, whole-of-government planning processes through the VIAF and a whole-of-government performance framework. Within the context of the three priority areas, achievements have also included a cross-agency response to support enhanced early childhood health and development and the development of a new strategy to enhance Indigenous education outcomes.

At a concrete level, the Secretaries' place based initiatives in Mildura, Casey, Whittlesea and Lakes Entrance provide a practical opportunity to apply joined-up government approaches to addressing the three priorities of the MTAA in partnership with local Indigenous communities. The Department of Justice is pleased to report the Mildura placed-based project, which commenced in early 2008, is progressing well. Governance structures have been established with partnerships developed across the three levels of government, and between governments and the local Koori community and their organisations. Agreed principles and protocols to guide the working relationships and some small scale initiatives have already been rolled out.

Planning in Indigenous Affairs

The Department of Justice notes the auditors' findings in relation to planning in Indigenous affairs. The department has completed the relevant VIAF action plans for the five strategic change indicator (SCI) areas for which it has primary responsibility and has actively contributed to the development of the Indigenous Family Violence Ten Year Plan, which underpins the VIAF Action Plan for SCI 4.1 and 4.2.

It is understood the MTAA Secretariat are currently analysing plans with a view to constructing a coherent implementation framework, as well as maximising opportunities for collaborative joined-up activity. The department is strongly committed to participating in this process.

Monitoring Performance in Indigenous Affairs

The Department of Justice, through the Indigenous Issues Unit, has in place an Aboriginal Justice Agreement (Phase 2) monitoring framework to collect and report on progress of key justice Indigenous initiatives against the Aboriginal Justice Agreement (Phase 2). The department has been working closely with MTAA on establishing targets to monitor change against the relevant VIAF justice SCIs.

As a committed partner to the whole-of-government approach in Indigenous affairs, the Department of Justice is working towards ensuring that the proposed evaluation framework for the Aboriginal Justice Agreement (Phase 2) feeds into, and aligns with, the VIAF performance monitoring framework, as well as to ensure consistency and quality in data collection processes, data systems, establishment of datasets, data definitions, target setting and resolve any critical issues around data limitations.

Appendix G.

Department of Human Services response

The Department of Human Services concurs with the Auditor's conclusion that the establishment of governance arrangements underpinning the Victorian Indigenous Affairs Framework (VIAF) is a positive development and there is much goodwill across government supporting their intent.

I would also like to draw your attention to two outstanding factual issues in your report:

- *on page 36 (paragraph 3) you state that consultation with DPCD on the draft action plan to address child abuse is yet to occur. In fact consultation is on-going and commenced with a meeting on 19 March 2008.*
- *on page 38 (paragraph 1) you refer to DHS's plans to broaden the membership of the Aboriginal Human Services Forum to include DEECD. In fact, DEECD was involved in the 15 May Aboriginal Human Services Forum. Arrangements are also now agreed for a joint meeting of the DHS and DOJ forums in October 2008.*

Appendix H.

Department of Premier and Cabinet response

The Victorian Indigenous Affairs Framework is an important whole-of-government initiative aimed at addressing the significant disadvantage experienced by Indigenous Victorians. The framework is in its early days, but has already achieved some significant successes such as the development of Wannik ‘Learning Together—Journey to our Future’.

DPC notes the report’s comments on how planning and governance can be improved. DPC understands that the relevant Victorian Government departments will respond to the report’s recommendations. The report’s findings and recommendations will inform further development of a whole-of-government approach to this issue.

Auditor-General's reports

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Report title	Date tabled
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Management of Specific Purpose Funds by Public Health Services (2007-08:3)	October 2007
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Auditor General's Report on the Annual Financial Report of the State of Victoria, 2006-07 (2007-08:9)	November 2007
Funding and Delivery of Two Freeway Upgrade Projects (2007-08:10)	December 2007
Results of Financial Statement Audits for Agencies with 30 June 2007 Balance Dates (2007-08:11)	December 2007
Local Government: Results of the 2006-07 Audits (2007-08:12)	February 2008
Agricultural Research Investment, Monitoring and Review (2007-08:13)	February 2008
Accommodation for People with a Disability (2007-08:14)	March 2008
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Planning for Water Infrastructure in Victoria (2007-08:16)	April 2008
Delivering HealthSMART—Victoria's whole-of-health ICT strategy (2007-08:17)	April 2008
Victoria's Planning Framework for Land Use and Development (2007-08:18)	May 2008
Planning Permit Application: Assessment Checklist (2007-08:19)	May 2008
Planning Scheme Amendment: Assessment Checklist (2007-08:20)	May 2008
Patient Safety in Public Hospitals (2007-08:21)	May 2008
Project Rosetta (2007-08:22)	May 2008
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Review of South East Water's Works Alliance Agreement (2007-08:24)	May 2008
Piping the System (2007-08:25)	May 2008
Implementation of the Criminal Justice Enhancement Program (2007-08:26)	June 2008
Performance Reporting in Local Government (2007-08:27)	June 2008

Report title	Date tabled
Services to Young Offenders (2007-08:28)	June 2008
Local Government Performance Reporting: Turning Principles into Practice (2007-08:29)	June 2008
Performance Reporting by Public Financial Corporations (2007-08:30)	June 2008

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