Government Business Managers in Aboriginal Communities under the Northern Territory Emergency Response

Department of Families, Housing, Community Services and Indigenous Affairs

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Canberra ACT
8 December 2010

Dear Mr President
Dear Mr Speaker

The Australian National Audit Office has undertaken an independent performance audit in the *Department of Families, Housing, Community Services and Indigenous Affairs* in accordance with the authority contained in the *Auditor-General Act 1997*. Pursuant to *Senate Standing Order 166* relating to the presentation of documents when the Senate is not sitting, I present the report of this audit, and the accompanying brochure, to the Parliament. The report is titled *Government Business Managers in Aboriginal Communities under the Northern Territory Emergency Response.*

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

Yours sincerely

Ian McPhee
Auditor-General

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

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AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits and financial statement audits of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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Abbreviations

AFP	Australian Federal Police
AGD	Attorney-General's Department
AGIAFNT	Australian Government Indigenous Affairs Forum Northern Territory
ALRA	*Aboriginal Land Rights (Northern Territory) Act 1976* (Cth)
ANAO	Australian National Audit Office
APS	Australian Public Service
APSC	Australian Public Service Commission
COAG	Council of Australian Governments
DEEWR	Department of Education, Employment and Workplace Relations
DHS	Department of Human Services
DOHA	Department of Health and Ageing
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
GBM	Government Business Manager
ICC	Indigenous Coordination Centre
IEO	Indigenous Engagement Officer
NGO	Non-government organisation
NT	Northern Territory
NTER	Northern Territory Emergency Response

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NTSO	FaHCSIA's Northern Territory State Office
ROC	Regional Operations Centre
SGIA	Secretaries Group on Indigenous Affairs
VON	Visiting Officer Notification

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Glossary

Government Business Manager — An officer from the Department of Families, Housing, Community Services and Indigenous Affairs, deployed to live and work full time in the Aboriginal communities covered by the Northern Territory Emergency Response to improve community engagement and whole-of-government coordination.

Indigenous Engagement Officer — An Indigenous person contracted by the Department of Families, Housing, Community Services and Indigenous Affairs to provide liaison and engagement support to a Government Business Manager.

Little Children Are Sacred — *Ampe Akelyernemane Mele Mekarle, Little Children are Sacred* was the final report of the NT Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse, released on 16 June 2007. The report indicated that, in all 45 communities visited by the Board of Inquiry, child abuse and potential neglect of children had been reported.

National Partnership Agreement on Remote Service Delivery — A commitment by governments to work with Indigenous communities to improve the delivery of services to 29 priority remote communities across the Northern Territory, Western Australia, Queensland, New South Wales and South Australia. There are 15 such communities in the Northern Territory, which are also subject to the provisions of the NTER.

Northern Territory Emergency Response — A five-year whole-of-government intervention commencing in June 2007, aimed at improving family and child safety in Aboriginal communities in the Northern Territory.

NTER community — A term used in this report to include all communities subject to the provisions of the Northern Territory Emergency Response, including all prescribed communities and all other communities located in prescribed areas.

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Prescribed area   An area defined in the *Northern Territory National Emergency Response Act 2007*, including Aboriginal land defined under the *Aboriginal Lands Rights (Northern Territory) Act 1976*; roads, rivers, streams, estuaries or other areas on Aboriginal land; areas known as Aboriginal Community Living Areas (a form of freehold title issued to Aboriginal corporations by the Northern Territory Government); town camps declared by the Minister for Families, Housing, Community Services and Indigenous Affairs (the Minister) under the *Northern Territory National Emergency Response Act 2007*; and any other area declared by the Minister to be a prescribed area.

Prescribed community   One of the 73 Aboriginal communities specifically named in the *Northern Territory National Emergency Response Act 2007*. These communities generally have more than 100 residents.

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Summary

Introduction

1.   Government Business Managers (GBMs) are Australian Government officers recruited to support the implementation and monitoring of the Northern Territory Emergency Response (NTER), a five-year, whole-of-government intervention commencing in June 2007 to promote community safety in the Northern Territory. Residing and working in NTER communities full time, GBMs are intended to be 'the single face of the Australian Government at the local community level—akin to an ambassador'[1].

2.   GBMs were initially deployed to facilitate the rollout of the NTER by providing a channel through which government could communicate to communities about how different aspects of the NTER would work. GBMs were expected to exercise a leadership role in coordinating Australian Government services, consult communities on changes in Australian Government policy and programs, and report back to the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)[2] as the lead agency for the NTER.

Community safety

3.   Safe and supportive families and communities provide a resilient, caring and protective environment, promoting a range of positive outcomes. Problems in families and communities, among other influences, can contribute to disrupted social relationships and social alienation, and to alcohol and drug misuse and family violence. There is a growing body of literature highlighting the extent of violence in Indigenous communities, particularly family violence. The presence of family violence is a strong predictor of child abuse, and partner violence has a damaging effect on children's emotional, behavioural and cognitive development.

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[1]   FaHCSIA, *Government Business Managers Statement of Roles and Responsibilities.*

[2]   At the commencement of the NTER in June 2007, the department was known as the Department of Families, Community Services and Indigenous Affairs (FaCSIA). For consistency, the ANAO refers to 'FaHCSIA' throughout this report.

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4.   According to the Productivity Commission:

> Child abuse and neglect contribute to the severe social strain under which many Indigenous people live. Ensuring that Indigenous children are safe, healthy and supported by their families will contribute to building functional and resilient communities. The need for intervention for protective reasons may also reflect the social and cultural stress in many Indigenous communities. In such conditions, the extended networks that could normally intervene in favour of the child may no longer exist.[3]

5.   In June 2006 the then Australian Government, under the auspice of the Council of Australian Governments (COAG), convened the Intergovernmental Summit on Violence and Child Abuse in Indigenous Communities (the Summit), involving ministers from all states and territories. COAG acknowledged the contribution of poor child health and education to an intergenerational cycle of social dysfunction, and agreed to an early intervention measure to improve the health and wellbeing of Indigenous children living in remote areas by trialling an accelerated rollout of the Indigenous child health checks in high need regions. The outcomes of the Summit in the 2006 COAG Communiqué and these other developments provide a backdrop to the measures adopted in the NTER announced one year later.[4]

6.   Following the Summit, and as a result of advocacy by the then Australian Government and others, the NT Government appointed the Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse (Board of Inquiry) on 8 August 2006. The Board of Inquiry's report, titled *Ampe Akelyernemane Mele Mekarle, Little Children are Sacred[5]*, was released by the NT Chief Minister on 16 June 2007. The report indicated that, in all 45 communities visited by the Board of Inquiry, child abuse and potential neglect of children had been reported. The Board of Inquiry considered there was evidence of a strong connection between family abuse, child neglect and violence on the one hand and alcohol and substance abuse on the other. The

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3   Productivity Commission, Overcoming Indigenous Disadvantage: Key Indicators 2009, p.4.115

4   COAG Meeting Outcomes 14 July 2006. <http://www.coag.gov.au/coag_meeting_outcomes/2006-07-14/index.cfm> [accessed 21 November 2009]

5   Wild, R & Anderson P, (2007) *Ampe Akelyernemane Mele Mekarle, Little Children are Sacred: Northern Territory Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse*, Darwin, NT. Northern Territory Government.   <http://www.inquirysaac.nt.gov.au> [accessed 21 November 2009]

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report reiterated other issues identified in previous reports as contributing to breakdowns in community safety: people without meaningful things to do; a failure of existing service delivery methodologies; dysfunctional governance; and overcrowded houses.

The Northern Territory Emergency Response

7. The then Government announced the rollout of the NTER on 21 June 2007. The immediate aims of the NTER measures were to protect children and make communities safe. In the longer term, the measures were designed to create a better future for Aboriginal communities in the Northern Territory. The overall goal of the NTER was to do and achieve more than 'business as usual' and to lay down a platform from which to work towards sustained improvements in outcomes for Aboriginal people and communities in the medium and longer term.

8. The NTER would comprise three phases:

- **stabilisation**—the first year to 30 June 2008;

- **normalisation** of services and infrastructure; and

- **longer term support** to close the gaps between these communities and standards of services and outcomes enjoyed by the rest of Australia.

9. The NTER identified seven broad areas for government intervention in the Northern Territory: promoting law and order; improving child and family health; supporting families; enhancing education; welfare reform and employment; housing and land reform; and coordination. Specific interventions made under these broad areas included quarantines on welfare income, restrictions on alcohol and pornography, health checks for children, increased police presence and changes to land tenure arrangements.[6]

The Government Business Managers initiative

10. When the then Minister for Families, Community Services and Indigenous Affairs, the Hon Mal Brough MP, announced the national emergency response to protect Aboriginal children in the Northern Territory, his press release noted that the NTER measures would involve 'improving

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[6]   FaHCSIA *Submission of Background Material to the NTER Review Board*, 2008:11. <http://www.fahcsia.gov.au/sa/indigenous/pubs/nter_reports/documents/nter_review_submission/nter_review_submission.pdf> [accessed 22 November 2009]

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governance by appointing managers of all government business in prescribed communities.' The interrelated nature of the seven overarching measures, the immediacy of their implementation timeframes, the requirement for significant whole-of-government cooperation and the emergency context of the NTER created a need for enhanced coordination and governance arrangements at the community level and within the Australian Government.

11. FaHCSIA's submission to the NTER Review Board in 2008 details that GBMs were intended 'to improve governance of communities…so that problems can be tackled community by community, with local input and ownership'[7]. The Australian Government committed to deploying GBMs into remote communities over five years. According to FaHCSIA, this was

> [recognition] that for the Government's investment and service delivery reforms to have maximum effect, a local presence and source of intelligence is required who can report reliably on:
>
> • the operating context for the rollout of the emergency measures
>
> • community and corporate governance and performance, particularly of government-funded service delivery organisations delivering both mainstream and Indigenous-specific services
>
> • the wider impact of government investments into communities (including the respective impacts of other levels of government).[8]

12. As at August 2010 there were 60 GBMs servicing 73 NTER communities. In a change from previous service delivery arrangements, which saw public servants visit communities on an 'as required' basis, GBMs reside in communities full time and present a single face for the Australian Government. While maintaining agency line reporting relationships, Australian Government staff from all agencies are required to 'carry out their work under GBM guidance so as to optimise the timing, sequencing and connections with other initiatives…and ensure effective and orderly engagement with the community.'[9]

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[7] Department of Families, Housing, Community Services and Indigenous Affairs, Submission to the NTER Review – Background material on the NTER, <http://www.nterreview.gov.au/docs/nter_review_submission/app1.htm#t7>

[8] FaHCSIA paper to Secretaries Group on Indigenous Affairs Sub-Group on the Northern Territory Emergency Response, 25 October 2007

[9] FaHCSIA, *Government Business Managers Statement of Roles and Responsibilities.*

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13. In addition to departmental funding to recruit, deploy and support GBMs, the Australian Government agreed to establish a fund of approximately $11 million each year for GBMs to implement specific projects in the communities to which they were appointed. This fund has been known in different years of the NTER as the Flexible Funding Pool, the Community Capability Fund and the Local Priority Fund. According to FaHCSIA, this funding arrangement ceased at the end of 2009–10.

14. Table S 1 below shows the budget for the GBM initiative and its associated local priority project funding for the five years of the NTER.

Table S 1

Annual budget for the GBM initiative

Year	GBM initiative ($m)	Local priority funding ($m)
2007–08	75.9	11.6
2008–09	30.9	11.5
2009–10 to 2011–2012	(three years) 84.1	(2009–10 only) 11.3
Subtotal	*190.9*	*34.4*
Total		**225.3**

Source: FaHCSIA Portfolio Budget Statements

Audit objectives and scope

15. The objective of the audit was to assess the administrative effectiveness of FaHCSIA's management of the GBM initiative, and the extent to which the initiative has contributed to improvements in community engagement and government coordination in the Northern Territory.

16. The audit focused on FaHCSIA's management of the GBM initiative under the NTER. The audit scope did not include additional functions assigned to some GBMs in the Northern Territory under the National Partnership Agreement on Remote Service Delivery (the National Partnership Agreement), or to Australian Government staff with similar roles and functions supporting the implementation of the National Partnership Agreement in Queensland and Western Australia.

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Audit criteria

17.   In order to address the audit objective, the ANAO examined the following areas:

- the alignment between the overall objective of the GBM initiative and the design of the program's activities;

- strategic program management arrangements developed by FaHCSIA to support the delivery of GBM activities;

- the implementation of the core activities of GBM recruitment, deployment and support; and

- the effectiveness of reporting systems designed to support GBMs in their engagement and coordination roles.

Overall conclusion

18.   The Northern Territory Emergency Response (NTER) represented a significant and rapid shift in the way the Australian Government delivered programs in Aboriginal communities in the Northern Territory. Community safety concerns had been building for several years but the release of a report into child abuse in the Northern Territory led the Australian Government to adopt a more interventionist approach to tackling these policy concerns than had previously been the case. This approach sought to address the identified policy challenges through a series of cross-sectoral but interrelated activities or 'measures' that required significant whole-of-government cooperation. This created a need for enhanced coordination and engagement arrangements at the community level.

19.   The environment in which the NTER was developed was characterised by the then government as a 'national emergency'. Many aspects of the NTER's implementation were considered controversial by some sections of the Australian community as they directly intervened in aspects of individual and community life. The NTER was a complex undertaking involving sensitive matters and the Government required it to be established and implemented in a short period of time.

20.   Implementing the required administrative arrangements to support the NTER under these conditions presented the Department of Families, Housing, Community Services (FaHCSIA) with a number of challenges in its role as lead agency for Indigenous affairs and the NTER. While some precedents for the approach of the NTER could be found in Australia's international activities,

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such as the Regional Assistance Mission to the Solomon Islands (RAMSI), there were few domestic precedents on which FaHCSIA could draw to develop appropriate administrative arrangements. Further, improving whole-of-government coordination is not a straightforward objective, as 'existing public sector institutions were, by and large, not designed with a primary goal of supporting collaborative inter-organisational work'.[10]

21.   Against this background, FaHCSIA worked effectively to support the initial delivery of the NTER through the development and implementation of the Government Business Managers (GBMs) initiative. Immediate and ongoing engagement with the Secretaries Group on Indigenous Affairs secured high-level agreement about GBMs' roles and responsibilities and their activities under each of the NTER measures. By drawing on its existing human resource capabilities, FaHCSIA was able to give practical effect to this agreement by rapidly recruiting and deploying GBMs to support each of the communities targeted by the NTER, positioning them to support the achievement of the initiative's engagement and coordination objectives.

22.   Lessons learned from the Council of Australian Governments' (COAG) Indigenous service delivery trials from 2002 to 2006 indicate that a stable Australian Government presence in communities can result in measurable improvements in community engagement and whole-of-government coordination. As a results of its efforts during the initial stabilisation phase of the NTER and its ongoing management of the GBM initiative, FaHCSIA has established a stable presence in the NTER communities. GBM deployment data shows that most communities have been supported by the same GBM for at least 12 months at a time, and that in approximately one in three communities there has only been a single GBM handover since the commencement of the NTER.

23.   Over time, as the NTER has moved beyond the initial implementation phase, GBMs' coordination efforts have come to be hampered by the persistence of vertical, single-agency approaches to service delivery and by other agencies' waning recognition of GBMs' coordination role in communities. At the end of 2008, the NTER Review Board observed that 'there remain[ed] a major gap between the laudable intention of whole-of-government management and the reality of its implementation on the

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[10]   Australian Public Service Commission 2007, *Tackling Wicked Problems: A Public Policy Perspective*, p.17.

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ground'[11]. Prioritising the issues arising from GBMs' local engagement activities, forwarding these issues to relevant areas within FaHCSIA and to other agencies and tracking their resolution is also an ongoing challenge for the department. Both of these issues can bear on the overall effectiveness and value of GBMs' local-level engagement and coordination activities.

24. The development of local service delivery agreements, such as those developed for the National Partnership Agreement on Remote Service Delivery, could help to formalise local service delivery relationships, provide GBMs with strategic priorities and strengthen GBMs' authority in communities, and serve to improve communities' understanding of GBMs' roles and responsibilities. Improvements to the communication of issues within FaHCSIA and to other agencies will help to give practical effect to GBMs' engagement efforts, while ongoing development of systems to track agencies' responses to issues raised by GBMs should also provide an incentive for those agencies to better engage at the local level.

25. Throughout the audit, the ANAO raised a number of issues relating to the GBM initiative's management with FaHCSIA, and the department has already begun to address these issues. In order to assist FaHCSIA to improve program management arrangements for the GBM initiative, the ANAO has made one recommendation. This relates to reaffirming agencies' recognition of the authority given to GBMs, and supporting this recognition at the local level through the development of service delivery agreements.

Program design

26. FaHCSIA was required to develop administrative arrangements to support the deployment of 60 GBMs to work with 73 communities in order to develop an understanding of local priorities and to coordinate the engagement of a range of different Australian Government agencies. The arrangements that emerged during the initial phase of the NTER were well aligned with the Australian Government's engagement and coordination objectives for Aboriginal communities in the Northern Territory. The development of an engagement and reporting model that connects the issues of a single community to multiple agencies in the APS through the GBMs is also an appropriate design element.

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[11]   NTER Review Board 2008, *Report of the NTER Review Board*, p.45.

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27.   The portfolio-based arrangements that have been the basis of the Australian public service have a number of advantages, including strong vertical bonds that enhance accountability, increase specialisation, and create an efficient division of labour. However, these same bonds can impede government efforts to tackle 'wicked' policy problems that cross portfolios, including Indigenous disadvantage. Traditional hierarchical models of public administration would have been challenged to support the coordinated delivery of the NTER at the local level.

28.   Accordingly, the administrative design that has emerged for GBMs has more in common with a networked governance model than a traditional public sector program. Developing local networked governance arrangements allows coordination and collaboration to occur at the service delivery level while maintaining the advantages afforded by vertical departmental structures. Further, this approach reflects contemporary views relating to the benefits of citizen-centred public service delivery by establishing closer links between the recipients of Australian Government services and the agency staff responsible for delivering those services. However, local arrangements also face a number of challenges, including the need to secure and maintain authority, joining up specialised systems and resources in communities, and measuring improvements in coordination and engagement.

Program management

29.   The GBM initiative was developed in an emergency context, with design and agency consultation arrangements completed in a matter of weeks. By engaging with the Secretaries Group on Indigenous Affairs and its Minister at the commencement of the NTER, FaHCSIA quickly secured whole-of-government agreement about the initiative's purpose and scope. Further, FaHCSIA sought to align the GBM initiative's activities with those of other NTER measures by documenting GBMs' roles and responsibilities for each of the new NTER initiatives.

30.   The GBM initiative is a complex activity that requires both an element of responsiveness and an element of longer term planning to sustain its implementation. Its objectives of enhanced community engagement and improved government coordination will not necessarily be achieved by undertaking a series of planned activities in the same way as a typical project. Rather, it is likely that progress toward its objectives will be achieved through the maintenance of an active, stable presence in communities, able to respond quickly to changing circumstances and emerging policy initiatives.

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31.   A necessary focus on implementation during the emergency phase limited the early development of formal program management arrangements, with the department drawing on existing capabilities and new, NTER-specific management structures to provide effective management for the GBM initiative instead. Longer-term planning and risk management approaches would be expected to be developed over time, but uncertainty about the future direction of the NTER and the GBM initiative have made it necessary to be more cautious about developing these approaches. Accordingly, formal reviews of program management arrangements, previously planned for each phase of the NTER, are only now taking place. FaHCSIA has advised that it is developing longer-term project planning and risk management arrangements in order to support the GBM initiative's ongoing integration with its regular management arrangements in the Northern Territory.

Program implementation

32.   FaHCSIA's workforce management strategies were effective, particularly given the scale and emergency context of the GBM initiative. Despite pressure to recruit and deploy more than 50 senior managers to remote locations in a short period, FaHCSIA delivered a recruitment round consistent with APS requirements, an orientation program and remote area accommodation.

33.   The department's efforts resulted in the deployment of 28 GBMs by September 2007, and a total of 51 GBMs in the first year of the emergency response. Overall, GBM coverage of communities has been consistent, with most communities having a continuous GBM presence throughout the NTER; where breaks have occurred, these have been of limited duration and largely covered by relief GBMs. The GBM initiative has also provided most communities with a more stable Australian Government presence, with one in three experiencing only a single handover since the commencement of the NTER, and more than 80 per cent having three or fewer different GBMs.

34.   As the NTER has progressed, different areas of the department have sought to refine particular aspects of workforce planning for the GBM initiative, such as performance management and support arrangements. FaHCSIA has recently established a Change Management Team to integrate management of the GBM workforce with the department's broader strategy for the Northern Territory. This step should better position the department to effectively plan for future workforce requirements.

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Program performance

35. GBMs face the significant challenge of supporting, advising and monitoring the efforts of a large number of Australian Government, Territory government and local government agencies, engaging with many different community stakeholders, as well as liaising with funded service providers and NGOs. They undertake this work in difficult circumstances, facing geographical and social isolation in an environment characterised by frequent demands and short deadlines. GBMs' engagement and coordination efforts would be enhanced by reaffirming and sustaining agencies' recognition of their authority in communities, and the development of local implementation plans or service delivery agreements, such as those required under the National Partnership Agreement on Remote Service Delivery.

36. The GBM initiative would benefit from the development of arrangements to measure improvements to engagement and coordination arising from GBMs' activities, including an improved suite of performance indicators to monitor short-term progress and the clearer articulation of long-term evaluation approaches. The ANAO acknowledges the difficulty of determining whether whole-of-government coordination activities have been effective. However, the GBMs are a sizeable investment and an innovative approach, and future attention to developing performance measurement arrangements will assist the department to capture lessons learned to inform future reforms and make better decisions about continued resourcing for the initiative. Accordingly, there would be merit in investigating appropriate options.

37. Issues with current reporting arrangements are impeding the effective communication of issues raised by GBMs to agencies for appropriate action. In particular, there are opportunities for FaHCSIA to improve GBM reporting, agency issue forwarding and tracking arrangements. This will improve the consistency and relevance of information the GBM initiative provides to decision-makers within FaHCSIA and in other agencies, and support the translation of GBMs' local engagement efforts into improved service delivery arrangements, increasing the likelihood the GBM initiative will improve government coordination. FaHCSIA has advised that these improvements are currently under development.

38. Local priority funding arrangements supporting the GBM initiative resulted in the delivery of 358 new projects in NTER communities in the first two years of the NTER. The development of improved guidance and

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assessment criteria would have supported better decisions about whether particular capital purchases and infrastructure works were eligible for funding.

Summary of agency response

39. FaHCSIA appreciates the opportunity to respond to the ANAO Section 19 Report. Each of the Groups and Sections involved in the audit and the resulting recommendations contributed to this response and the summary of actions.

40. FaHCSIA has considered and agreed the recommendation in the Section 19 Report. FaHCSIA will continue to work with the ANAO to implement the action and resolve the recommendation.

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Recommendations

Recommendation No. 1

Paragraph 5.34

To improve Government Business Managers' (GBMs) capacity to improve government coordination, the ANAO recommends that FaHCSIA take steps to reaffirm and sustain agencies' recognition of GBMs' roles, responsibilities and authority in NTER communities. To give practical effect to this recognition at the local level, the ANAO further recommends that FaHCSIA consider expanding the local implementation planning arrangements in place for priority communities under the National Partnership Agreements on Remote Service Delivery to other NTER communities.

FaHCSIA's response: Agree

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Audit Findings and Conclusions

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1. Introduction

This chapter discusses the policy context for the Northern Territory Emergency Response, provides an overview of the Government Business Managers (GBM) initiative, and outlines the audit objectives and scope.

Background

1.1   Safe and supportive families and communities provide a resilient, caring and protective environment, promoting a range of positive outcomes. Problems in families and communities, among other influences, can contribute to disrupted social relationships and social alienation, and to alcohol and drug misuse and family violence. There is a growing body of literature highlighting the extent of violence in Indigenous communities, particularly family violence. The presence of family violence is a strong predictor of child abuse, and partner violence has a damaging effect on children's emotional, behavioural and cognitive development.[12]

1.2   According to the Productivity Commission:

> Child abuse and neglect contribute to the severe social strain under which many Indigenous people live. Ensuring that Indigenous children are safe, healthy and supported by their families will contribute to building functional and resilient communities. The need for intervention for protective reasons may also reflect the social and cultural stress in many Indigenous communities. In such conditions, the extended networks that could normally intervene in favour of the child may no longer exist.[13]

1.3   In June 2006 the then Australian Government, under the auspice of the Council of Australian Governments (COAG), convened the Intergovernmental Summit on Violence and Child Abuse in Indigenous Communities (the Summit), involving ministers from all states and territories. Acknowledging the contribution of poor child health and education to an intergenerational cycle of social dysfunction, COAG had agreed to an early intervention measure to improve the health and wellbeing of Indigenous children living in remote areas by trialling an accelerated rollout of the Indigenous child health checks in high-need regions. The outcomes of the Summit in the 2006 COAG

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[12]   Productivity Commission, *Overcoming Indigenous Disadvantage: Key Indicators 2009.*

[13]   Ibid, 4.115.

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Communiqué and these other developments provide a backdrop to the measures adopted in the NTER announced one year later.[14]

1.4   Following the Summit, and as a result of advocacy by the Australian Government and others, the NT Government appointed the Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse (Board of Inquiry) on 8 August 2006. The Board of Inquiry's report, titled *Ampe Akelyernemane Mele Mekarle, Little Children are Sacred*, was released by the NT Chief Minister on 16 June 2007.[15] The report indicated that, in all 45 communities visited by the Board of Inquiry, child abuse and potential neglect of children had been reported. The Board of Inquiry considered there was evidence of a strong connection between family abuse, child neglect and violence on the one hand and alcohol and substance abuse on the other. The report reiterated other issues identified in previous reports as contributing to breakdowns in community safety: people without meaningful things to do; a failure of existing service delivery methodologies; dysfunctional governance; and overcrowded houses.

The Northern Territory Emergency Response

1.5   The then Australian Government judged that a response was needed that was immediate, urgent and different from past responses in terms of scale and comprehensiveness. On 21 June 2007, the Government announced the rollout of the Northern Territory Emergency Response (NTER) across much of the Northern Territory (NT). The immediate aims of the NTER measures were to protect children and make communities safe. In the longer term the measures were designed to create a better future for Aboriginal communities in the Northern Territory. The overall objective of the NTER was to do and achieve more than 'business as usual' and to lay down a platform from which to work towards sustained improvements in outcomes for Aboriginal people and communities in the Northern Territory in the medium and longer term.

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[14]   COAG *Meeting Outcomes 14 July 2006*. <http://www.coag.gov.au/coag_meeting_outcomes/2006-07-14/index.cfm> [accessed 19 November 2009]

[15]   Wild, R & Anderson P, (2007) *Ampe Akelyernemane Mele Mekarle, Little Children are Sacred: Northern Territory Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse*, Darwin, NT. Northern Territory Government, <http://www.inquirysaac.nt.gov.au> [accessed 21 November 2009]

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1.6 The NTER would comprise three phases:

- **stabilisation**—the first year to 30 June 2008;

- **normalisation** of services and infrastructure; and

- **longer term support** to close the gaps between these communities and standards of services and outcomes enjoyed by the rest of Australia.

1.7 The NTER was a major shift in the way the Australian Government engaged with Aboriginal people in the Northern Territory. High-profile, and controversial to some, aspects of the initial implementation of the NTER involved the suspension of particular clauses of the *Racial Discrimination Act 1976*, the deployment of Australian Defence Force personnel into communities to provide logistical support, the compulsory acquisition of land in townships, restrictions on alcohol and pornography, and reforms to welfare payments so that a portion of a person's benefits were quarantined by government for spending only on approved items.

Coverage of the NTER

1.8 The NTER measures apply to 'prescribed areas'. Prescribed areas are defined in the *Northern Territory National Emergency Response Act 2007* (the NTNER Act) and include:

- Aboriginal land as defined under the *Aboriginal Lands Rights (Northern Territory) Act 1976* (the ALRA);

- roads, rivers, streams, estuaries or other areas on Aboriginal land;

- areas known as Aboriginal Community Living Areas (a form of freehold title issued to Aboriginal corporations by the Northern Territory Government);

- town camps declared by the Minister for Families, Housing, Community Services and Indigenous Affairs under the NTNER Act; and

- any other area declared by the Minister to be a prescribed area.

1.9 Together, this land comprises an area of over 600,000km^2, approximately 44 per cent of the total area of the Northern Territory. The prescribed areas include more than 500 Aboriginal communities and approximately 45 500 Aboriginal people, or over 70 per cent of Aboriginal people in the Northern Territory (for comparison, the total population of the Northern Territory is approximately 227 000).

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1.10   Seventy-three   communities   were   identified   as   'prescribed communities'. Such communities are located in a prescribed area and generally have a population of 100 or more people. In 2006, there were 41 130 people living in prescribed communities, of which 35 929 (87 per cent) were Indigenous Australians and approximately 17 000 were children under the age of 16.

Measures included in the NTER

1.11   The NTER comprised seven broad areas of focus, referred to as 'measures': promoting law and order; improving child and family health; supporting families; enhancing education; welfare reform and employment; housing and land reform; and coordination. These measures were intended to effect long-lasting socioeconomic change in NTER communities, above and beyond what had previously been achieved under 'business as usual' approaches to service delivery. The seven initial NTER measures and the responsible Australian Government agencies are shown in Table 1.1 below.

Table 1.1

NTER measures by responsible agency

NTER Measure	Responsible agencies
Welfare Reform and Employment	DHS, Centrelink, DEEWR, FaHCSIA
Law and Order	AGD, FaHCSIA, AFP
Enhancing Education	DEEWR, Centrelink
Supporting Families	FaHCSIA, DEEWR
Improving Child and Family Health	DoHA
Housing and Land Reform	FaHCSIA, DEEWR
Coordination	FaHCSIA, Commonwealth Ombudsman, Australian Defence Force

Source: FaHCSIA, *NTER Project Implementation Plan V1.1* — 4 February 2008:2.

1.12   Within these seven areas of focus, a series of more specific interventions was developed in the initial phase of the NTER. These interventions included:

- increases in policing levels, including secondment of officers from other jurisdictions to supplement NT resources;

- non-compulsory, comprehensive health checks for Indigenous children under 16 years of age to identify and treat health problems including identifying follow-up and ongoing health care requirements;

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- clean up and repair of communities to make them safer and healthier with local people encouraged to participate through Work for the Dole;

- widespread alcohol restrictions;

- welfare reforms to reduce the flow of money into alcohol and substance abuse and to ensure funds intended for children's welfare and development are used for children;

- improving school attendance indirectly through the provision of school meals;

- compulsory five-year leases to the Commonwealth over land in 64 communities, including provisions to pay reasonable compensation to relevant land owners if those leases constituted an acquisition of property within the meaning of the Constitution;

- improvements to essential infrastructure in communities;

- banning possession or supply of X18+ films, restricted publications, Refused Classification material, and unclassified material that would be classified at these levels;

- auditing of publicly funded computers to identify prohibited material;

- changes to the permit system for access to 'Aboriginal land' under the ALRA, including in relation to government officials, common areas of major communities and road corridors; and

- improved governance through the appointment of 'managers of government business' to prescribed communities.[16]

1.13 In the 2008–09 Budget, the initial measures were reorganised under seven themes under the new 'Closing the Gap' policy: community safety; health; early childhood; education; employment; welfare reform; and governance and leadership.

Legislation and powers

1.14 Legislative amendments were required to establish and implement the NTER and, on 7 August 2007, the Australian Government introduced three emergency response Bills into the Parliament. The Bills were passed by the

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[16]   FaHCSIA *Submission of Background Material to the NTER Review Board*, 2008:11.

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Parliament on 17 August 2007 after being referred to the Senate Legal and Constitutional Affairs Committee. The Bills received Royal Assent on 17 August 2007.

1.15 The legislation package included:

- the *Northern Territory National Emergency Response Act 2007* (NTNER Act);

- the *Social Security and Other Legislation Amendment (Welfare Payment Reform) Act 2007;* and

- the *Families, Community Services and Indigenous Affairs and Other Legislation Amendment (Northern Territory National Emergency Response and Other Measures) Act 2007.*

1.16 Part V of the NTNER Act has specific relevance to GBMs as it empowers the Minister for Indigenous Affairs to give directions to services provided in prescribed 'Business Management' areas and to control the activities of 'community service' entities, which are defined as a local government council, incorporated association or Aboriginal corporation. The Minister also has the power to declare any person or organisation operating within the boundaries of the NT as a 'community services entity'. The scope of the powers in this part of the NTNER Act give the Minister control over the entity's activities and extends to complete direction of its funding, assets and business structures.

1.17 In information prepared for the benefit of communities covered by the NTER, FaHCSIA stated that the GBMs would only advise on whether and how the powers should be applied, and that the powers are vested in the Minister and would be delegated only to the Secretary of the department. These powers have not been exercised to date.

Review of the NTER

1.18 After the NTER's first year of operations the Australian Government convened an NTER Review Board to undertake an independent review of the NTER. In particular, the Review Board was asked to assess the overall progress of the NTER in improving the safety and wellbeing of children; consider what was and wasn't working and whether the suite of NTER measures would deliver the intended results; and in relation to each NTER measure, make an assessment of its effects to date and recommend any required changes for improvement.

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1.19 The Review Board's report was published on 13 October 2008. The Board's findings about the NTER were mixed. On the one hand, the Board observed that, in many communities, 'support for the positive potential of NTER measures has been dampened and delayed by the manner in which they were imposed.'[17] On the other hand, the Board 'observed definite gains as a result of the Intervention [and] heard widespread, if qualified, community support for many NTER measures.'[18] The Board made 50 recommendations for improvements to the NTER.

NTER redesign

1.20 From June to August 2009, the Australian Government conducted extensive consultations in the Northern Territory about future directions for the NTER. The consultations involved people in all 73 NTER communities as well as several other Northern Territory Aboriginal communities and town camps. Over 500 consultation meetings were conducted in communities, during which individuals, families and small groups were able to provide their views to GBMs. The meetings also included whole-of-community meetings in almost all communities and town camps affected by the NTER.

1.21 According to FaHCSIA, a consistent message emerged from the redesign consultations:

> Amongst participants in this engagement process, there was strong support for the Australian Government's decisions to ensure that the NTER measures respect Australia's human rights obligations and conform with the [*Racial Discrimination Act 1976*], and to reset the relationship with Aboriginal people based on genuine consultation, engagement and partnership. Many people at the consultation meetings said that they had felt hurt, humiliated and confused by the way the NTER had initially been implemented. Community leaders and stakeholder organisation representatives were very critical of the manner in which the NTER was initially introduced. In particular, they referred to the lack of initial consultation, the blanket approach to measures, the embarrassment caused by the introduction of income management, the requirement to use the BasicsCard, and the road signs notifying the alcohol and pornography restrictions.[19]

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17 NTER Review Board 2008, *Report of the NTER Review Board*, Executive Summary, pp.9–10.

18 Ibid, p.10.

19 FaHCSIA, *Report on the Northern Territory Emergency Response Redesign Consultations*, Executive Summary.

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1.22   As a result of the consultations, the Australian Government issued a policy paper in November 2009[20], outlining a number of proposed changes to the NTER arrangements. These included lifting the suspension of the *Racial Discrimination Act 1976* in the Northern Territory; applying income management to all Australians on the same basis, and making participation voluntary for aged pensioners and people in receipt of a disability support allowance; allowing communities to develop their own alcohol restriction arrangements; clarifying arrangements for 5-year township leases; and strengthening community store licensing arrangements.

Government Business Managers

1.23   In a press release announcing the launch of the NTER, the then Minister for Families, Community Services and Indigenous Affairs noted that the NTER measures would include 'improving governance by appointing managers of all government business in prescribed communities.'[21] In the Government's view, the interrelated nature of the seven overarching measures, the immediacy of their implementation timeframes, the requirement for significant interagency cooperation and the emergency context of the NTER created a need for enhanced coordination and governance arrangements at the community level and within the Australian Government.

1.24   FaHCSIA's submission to the NTER Review Board in 2008 explains that GBMs were intended 'to improve governance of communities…so that problems can be tackled community by community, with local input and ownership'.[22] The Australian Government committed to deploying GBMs into remote communities over five years. According to FaHCSIA, this was:

> [recognition] that for the Government's investment and service delivery reforms to have maximum effect, a local presence and source of intelligence is required who can report reliably on:
>
> • the operating context for the rollout of the emergency measures

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20   Australian Government, *Policy Statement: Landmark Reform to the Welfare System, Reinstatement of the Racial Discrimination Act, and Strengthening of the Northern Territory Emergency Response*, November 2009.

21   Media release, The Hon Mal Brough MP, 'National emergency measure to protect Aboriginal children in the NT', 21 June 2007.

22   Department of Families, Housing, Community Services and Indigenous Affairs, Submission *to the NTER Review – Background material on the NTER*, http://www.nterreview.gov.au/docs/nter_review_submission/app1.htm#t7 [accessed 21 November 2009]

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- community and corporate governance and performance, particularly of government-funded service delivery organisations delivering both mainstream and Indigenous-specific services

- the wider impact of government investments into communities (including the respective impacts of other levels of government).[23]

1.25 GBMs were intended to be 'the single face of the Australian Government at the local community level—akin to an ambassador', and were expected to exercise a leadership role in coordinating Australian Government services. GBMs would also consult communities on changes in Australian Government policy and programs, including the implementation of measures under the NTER, and report back to government on the progress of the NTER measures in the communities to which they were assigned. While maintaining agency line reporting relationships, Australian Government staff from all agencies were required to 'carry out their work under GBM guidance so as to optimise the timing, sequencing and connections with other initiatives…and ensure effective and orderly engagement with the community.'[24] At August 2010, there were 60 GBMs supporting 73 NTER communities.

Budget for the GBM initiative

1.26 Table 1.2 below shows the budget allocation for the GBM initiative and associated local priority funding. For all years, the budget allocation for the GBM initiative comprised departmental rather than administered funding. These funds were used to create new positions for GBMs, and to fund staff and other FaHCSIA resources to recruit, deploy and support GBMs.

1.27 In addition to this departmental funding, the Australian Government agreed to establish a fund of approximately $11 million each year for GBMs to implement specific projects in the communities to which they were appointed. This fund has been known in different years of the NTER as the Flexible Funding Pool, the Community Capability Fund and the Local Priority Fund. This report uses the term 'local priority funding' to refer to this arrangement. According to FaHCSIA, this local priority funding arrangement ceased at the end of 2009–10.

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[23]   FaHCSIA paper to Secretaries Group on Indigenous Affairs Sub-Group on the Northern Territory Emergency Response, 25 October 2007.

[24]   FaHCSIA, *Government Business Managers Statement of Roles and Responsibilities*.

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Table 1.2

Annual budget for the GBM initiative

Year	GBM initiative ($m)	Local priority funding ($m)
2007–08	75.9	11.6
2008–09	30.9	11.5
2009–10 to 2011–2012	(three years) 84.1	(2009–10 only) 11.3
Subtotal	*190.9*	*34.4*
Total		**225.3**

Source: FaHCSIA Portfolio Budget Statements.

The GBM engagement model

1.29   Figure 1.1 below provides a brief overview of the key activities undertaken by GBMs and FaHCSIA to achieve the initiative's objectives of improving whole-of-government coordination and service delivery and improving the governance of communities. The engagement, coordination, reporting and local priority funding activities designed by FaHCSIA are outlined below and discussed in more detail in *Chapter 5 — Program performance*.
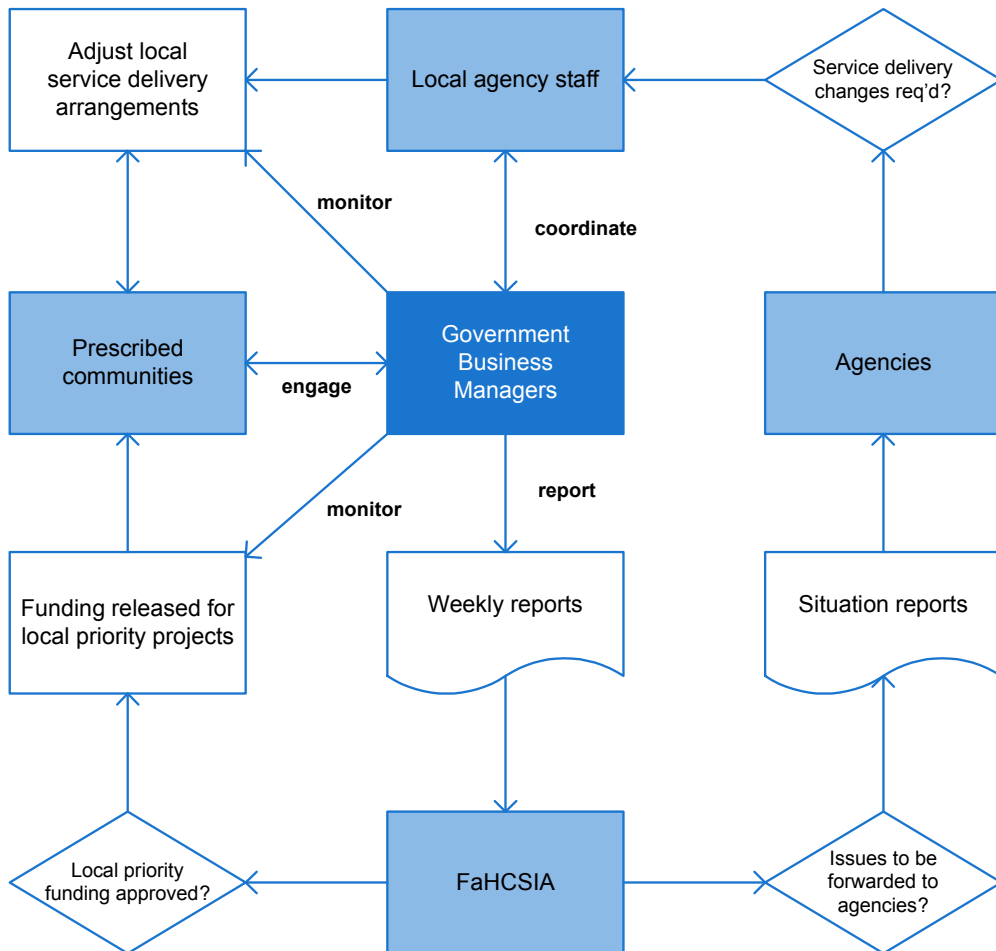
1.30   The engagement model developed for GBMs emphasises that there are two key pathways for their engagement activities. First, GBMs engage with leaders and organisations in NTER communities. Through this engagement, GBMs share information about government service delivery arrangements, and receive guidance about community priorities and service delivery preferences. At the same time, government agency staff visiting communities report to GBMs. GBMs provide direct advice about the community's service delivery priorities and preferences, connect agencies with local leaders and organisations, and monitor the manner in which agencies deliver services.

1.31   GBMs draw on the information gained through these two activities to prepare a weekly report to FaHCSIA. This report generally includes advice about progress against the NTER measures, the GBMs' recent and planned activities, matters requiring follow-up, forwarding or urgent attention, and requests for funding to meet local priorities. Regional Directors in Darwin and Alice Springs oversee the subsequent analysis of the weekly reports. The information contained in the reports is used to prepare a situation report or 'sit rep', which is circulated within FaHCSIA and to relevant managers across the Australian and Northern Territory governments.

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1.31 The engagement model anticipates that agencies will review the sit reps individually and at interagency and intergovernmental meetings to consider how to amend service delivery arrangements to address issues raised by GBMs. Should amendments be needed, local agency staff are advised accordingly, they adjust local service delivery arrangements in communities, and the cycle continues.

Figure 1.1

Activities under the GBM initiative

Source: ANAO analysis of GBM initiative workflows.

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NTER Review findings about GBMs

1.32 The NTER Review highlighted the importance of a coordinated approach to addressing the multiple causes of Indigenous disadvantage in the Northern Territory:

> It is not merely a matter of improving the operation of individual measures. A more integrated approach is needed. Just as housing issues underpin community health, so policing issues intermesh with family support which, in turn, is intimately connected with child and family health…artificial division reflects divided government agency responsibilities and funding sources. It is a chronic problem in establishing effective integrated services in Aboriginal communities.

> If the various NTER measures are to operate as a genuine suite of measures there needs to be adjustments in the machinery of government enabling better coordination of services, greater responsiveness to the unique characteristics of each community and higher levels of community participation in the design and delivery of services.[25]

1.33 The Review Board made a number of specific observations about GBMs. Principally, these concerned GBMs' ongoing frustration with 'the lack of coordination and communication within and between agencies in delivering their services to the communities', with the Board also noting gaps between the scope of GBMs' coordination mandate and the role of the Northern Territory government, Shire councils and non-government organisations delivering services in communities. The Review Board questioned whether GBMs had adequate community development skills and experience, noting:

> The Board believes that all governments and NGOs must be committed to establishing a more positive and constructive relationship upon which future developments are based. A community development approach will be essential and there will need to be a genuine engagement with communities in designing, developing and implementing policies going forward…GBMs have a critical part to play in re-engaging with Aboriginal people in remote Northern Territory communities, but to do so effectively they will need to be realigned to strengthen a community development approach at the community level.[26]

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[25]   NTER Review Board 2008, *Report of the NTER Review Board*, Executive Summary, p.10.

[26]   Ibid, p.44–45.

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1.34   These observations underpin a single recommendation about GBMs: that they be renamed 'Community Development Managers'. The Australian Government did not agree with this recommendation in its formal response to the Review Board.

The audit

Audit objective and scope

1.35   The objective of the audit was to assess the administrative effectiveness of FaHCSIA's management of the GBM initiative, and the extent to which the initiative has contributed to improvements in community engagement and government coordination in the Northern Territory.

1.36   The audit focused on FaHCSIA's management of the GBM initiative under the NTER. The audit scope did not include additional functions assigned to some GBMs in the Northern Territory under the National Partnership Agreement on Remote Service Delivery (the National Partnership Agreement), or to Australian Government staff with similar roles and functions supporting the implementation of the National Partnership Agreement in Queensland and Western Australia.

Audit approach

1.37   The audit commenced in the then Office of Evaluation and Audit (Indigenous Programs) [OEA] in the Department of Finance and Deregulation under the authority of the *Aboriginal and Torres Strait Islander Act 2005*, with fieldwork beginning in November 2009.

1.38   Following the Machinery of Government changes of December 2009, which saw OEA's functions transferred to the Australian National Audit Office, the audit was designated as a performance audit under the *Auditor-General Act 1997*.

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1.39   The audit methodology included:

- interviews with FaHCSIA managers in Canberra, Darwin and Alice Springs at the national and territory office levels;

- visits to NTER communities in the Northern Territory (Darwin, Bagot, Acacia Larakia, Beswick, Barunga, Borroloola, Robinson River, Alice Springs, Ali Curung, Ti-Tree, Yuendumu, Imanpa and Mutitjulu) in November 2009 to interview GBMs and community stakeholders, including representatives from Aboriginal organisations, Indigenous Engagement Officers, Shire councils and non-government organisations; and

- an analysis of documents, including Cabinet documents, Secretaries Group briefs and meeting minutes, implementation plans, statements of roles and responsibilities, recruitment and induction documents, weekly GBM reports, collated reports from ICCs, monthly summary reports, GBM recall minutes, the NTER Taskforce's Final Report, the NTER Review Board Report, NTER Review submissions, the Government's response to the Review Board's Report and various documents relating to the redesign of the NTER.

1.40   The audit examined the following areas:

- the alignment between the overall objective of the GBM initiative and the design of the program's activities;

- strategic program management arrangements developed by FaHCSIA to support the delivery of GBM activities;

- the implementation of the core activities of GBM recruitment, deployment and support; and

- the effectiveness of reporting systems designed to support GBMs in their engagement and coordination roles.

1.41   The audit was conducted in accordance with the ANAO auditing standards at a cost to the ANAO of approximately $362 000.

How the report is structured

1.42 The report is structured as follows:

- **Chapter 2—Program design** discusses key elements designed by FaHCSIA for the GBM initiative and their alignment with the initiative's objectives.

- **Chapter 3—Program management** examines the administrative effectiveness of FaHCSIA's strategic and operational management of the GBM initiative.

- **Chapter 4—Program implementation** examines FaHCSIA's role and performance in implementing the core activities of recruitment, deployment, support and individual performance management.

- **Chapter 5—Program performance** examines available information about the GBM initiative's contribution to improving engagement with communities and Australian Government agencies and improving whole-of-government coordination in the Northern Territory.

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2.   Program design

This chapter discusses key elements designed by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) for the Government Business Managers (GBM) initiative and their alignment with the initiative's objectives.

Design context

2.1   The Government Business Managers (GBM) initiative has two broad objectives: to improve the quality of the Australian Government's engagement with Aboriginal communities in the Northern Territory; and to improve the level of coordination between Australian Government agencies delivering services in these communities. While the Northern Territory Emergency Response (NTER) had particular characteristics that emphasised the need for an enhanced focus on community engagement and interagency coordination, these are matters which the Australian Government has sought to improve over a longer period of time. Accordingly, the design of the GBM initiative also reflects evolving Australian Government structures and approaches to engaging with Indigenous communities since 2002.

2.2   In 2002 the Council of Australian Governments (COAG) announced eight whole-of-government service delivery trials (the COAG trials) to explore new ways for governments to work together and with communities to address the needs of Indigenous Australians. Each site would develop its own governance arrangements, agree on what priorities would be addressed, and operate under a negotiated agreement between the parties: the Australian Government, the relevant state or territory government, some 'representative' body or group from the respective Indigenous community, and where relevant, the local government body. COAG envisaged the lessons learned from these trials would be applied more broadly in Indigenous affairs to achieve better outcomes over the longer term.

2.3   In November 2006, the Australian Government published its evaluations of the COAG trials. The evaluations highlighted the importance of developing and maintaining a whole-of-government approach to delivering services in Indigenous communities and the value of 'place-based' approaches, which emphasise drawing on local engagement to tailor service delivery arrangements to better meet local needs and priorities. The COAG trial evaluations also highlighted the particular importance of having stable and consistent government representation in communities. The evaluations found:

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In those sites where lead agencies had consistent membership, at all levels, the building of trust, understandings and commitment was markedly higher. In most Trial sites communities commented on this; either to commend the lead agencies for retaining this consistency, or being critical in those sites where there were constant changes in government representatives. Consistency in personnel was articulated by Indigenous leaders and government representatives as an important factor in building trust and knowledge of each other, and by Indigenous communities as a sign of the integrity of the serious effort to maintain and build an effective partnership and good relationships.

It is worth noting that in the two locations where there is the most ambivalence or uncertainty about where to take the work done to date through the Trials, there has been constant change of members or a major change at a key point in the Trial.[27]

2.4 In its Communiqué of 25 June 2004, COAG noted that its new National Framework of Principles for Government Service Delivery to Indigenous Australians (the Service Delivery Principles) would 'build on the promising early progress of the whole-of-government Trials of new ways of working with Indigenous communities'.[28] The Service Delivery Principles included:

- committing to cooperative approaches on policy and service delivery between agencies, at all levels of government and maintaining and strengthening government effort to address Indigenous disadvantage;

- addressing jurisdictional overlap and rationalising government interaction with Indigenous communities;

- maximising the effectiveness of action at the local and regional level through whole of government(s) responses; and

- recognising the need for services to take account of local circumstances and be informed by appropriate consultations and negotiations with local representatives.[29]

2.5 It was in this Communiqué that COAG also announced the National Framework on Indigenous Family Violence and Child Protection, calling on

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[27] Morgan Disney & Associates Pty Ltd 2006, *Synopsis review of the COAG Trial Evaluations*, p.21.

[28] Council of Australian Governments, Communiqué, 25 June 2004, <http://www.coag.gov.au/coag_meeting_outcomes/2004-06-25/index.cfm>

[29] Ibid, Attachment B, <http://www.coag.gov.au/coag_meeting_outcomes/2004-06-25/docs/attachments_b.rtf> [accessed 21 November 2009]

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'jurisdictions [to] work cooperatively to improve how they engage with each other and work in partnership with Indigenous communities to tackle this issue'.[30]

Design considerations

2.6 Whole-of-government approaches require agencies to move away from agency-centred models of authority and accountability in order to achieve shared objectives.[31] This is not a straightforward objective, as 'existing public sector institutions were, by and large, not designed with a primary goal of supporting collaborative inter-organisational work'.[32] Rather, the organisation of the Australian public service is characterised by strong institutional bonds and constraints, giving rise to a tendency toward hierarchical approaches. Commentators have observed that this preference has two principal manifestations: an inclination toward operating in historical departmental 'silos', with coordination tending to be directed from above; and a resistance to coordination on claims that it is impractical or incompatible given the public services' long-established vertical accountability arrangements.[33]

2.7 The presence of strong vertical bonds necessitates the development of horizontal links to support joined-up approaches to policy development and service delivery. Historically, and consistent with international experience, the Australian Government's approaches to developing such links have tended to focus at the top or centre of the public service, for example, through strengthening central agencies' policy development, budgeting and implementation steering capabilities, and the establishment of joint committees or working groups at the departmental Secretary and Senior Executive Service levels[34]. In recent years, the public service has sought to support these arrangements with more citizen-centred approaches, in order to improve

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[30] Ibid.

[31] Althaus C and Wanna J 2008, 'The Institutionalisation of Leadership in the Australian Public Service', *Public Leadership Perspectives and Practices*, t'Hart P and Uhr J (eds) 2008, ANU E Press, pp. 117–131.

[32] Australian Public Service Commission 2007, *Tackling Wicked Problems: A Public Policy Perspective*, p.17.

[33] 6, Perri 2004, 'Joined-Up Government in the Western World in Comparative Perspective: A Preliminary Literature Review and Exploration', *Journal of Public Administration Research and Theory,* 14(1), pp. 103–138.

[34] Christensen T and Laegreid P 2007, 'The Whole of Government Approach to Public Sector Reform', *Public Administration Review*, 67(6), p.1061.

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accountability and transparency, better tailor service delivery approaches to meet local needs, and effectively harness community-based resources and capabilities such as social capital. This focus has been accompanied by interest in how the public service might build better horizontal links between agencies at the service delivery level.

2.8 Consistent with this view, and following Machinery of Government changes in 2004 that resulted in the eventual abolition of the Aboriginal and Torres Strait Islander Commission and the distribution of its programs across mainstream APS agencies, efforts to improve interagency coordination and cooperation in Indigenous affairs have been characterised by a mix of top-down and bottom-up approaches. In an effort to improve high-level coordination between agencies, the Australian Government established the Secretaries Group on Indigenous Affairs, the Single Indigenous Budget Submission and the Office of Indigenous Policy Coordination within FaHCSIA. At the local level, coordination takes place through Indigenous Coordination Centres (ICCs) in some thirty capital cities and regional centres around Australia. Australian Government staff from multiple agencies are collocated in a single office, where they are expected to develop joined-up approaches to service delivery that minimise unnecessary duplication and administrative burden for communities.

2.9 Moving to the community level, and drawing on the lessons learned from the 'place based' approaches of the COAG trials, the Australian Government has appointed 'brokers' to present a single face of government to communities and then seek to develop a tailored solution to meet local needs from the full suite of government programs. The scope of these brokerage efforts range from the development of regional partnership agreements drawing together multiple sectors to developing location-specific solutions for individual issues, such as employment or substance use.

2.10 Local approaches to coordination generally have three notable characteristics. First, they tend to limit the scope and scale of coordination efforts to particular places and the achievement of defined, often modest objectives, reducing their complexity, costs and risk. Second, they leverage the experience of what public sector management literature refers to as 'street level bureaucrats'[35]—front-line officials who draw on their local knowledge and

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[35] See, for example, Lipsky M 1980, *Street-level bureaucracy: Dilemmas of the Individual in Public Services*, Russell Sage Foundation.

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networks to innovate outside hard institutional structures[36], and whose approaches to coordination tend to be informal and results-oriented[37]. Third, local arrangements can be better placed to work with citizens than arrangements centred in national offices, reflecting their particular needs and desires in tailored implementation solutions.

2.11 While local network approaches to coordination have a number of benefits, they also face a number of challenges. Local networks are still required to operate within the boundaries of vertical agency accountability arrangements, and so require some measure of authority from senior officers and Ministers. Further, government officials continue to use their agencies' specialised resources and capabilities, such as information technology, purchaser-provider networks and reporting frameworks. Joining these capabilities can be difficult, and incur uncertain costs for uncertain results[38]. Finally, separating the performance of coordination arrangements from the activities they coordinate is a persistent challenge for public managers, but one which must be met if such arrangements are to prove their worth and improve over time.

2.12 It is also important to note that developing local coordination structures can create new management challenges. Additional effort needs to be dedicated to identifying common goals and building a shared understanding of how they should be met. These efforts need to be supported by strategic decisions about when collaboration is warranted, and when it would be unhelpful and costly[39]. Collaborating across sectors at the local level requires individuals with a particular set of competencies, such as 'building and sustaining relationships, managing through influencing and negotiation, managing complexity and interdependencies, and managing roles, accountabilities and motivations', but securing and sustaining these

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[36]   Ryan B, Gill D, Eppel E and Lips M 2008, *Managing for Joint Outcomes – connecting up the horizontal and the vertical*, Institute of Policy Studies, Victoria University of Wellington.

[37]   Wanna J 2007, 'Governments abuzz with collaborative harmonies', *The Public Sector Informant*, July, pp.14–15.

[38]   White S 2005, 'Cooperation Costs, Governance Choice and Alliance Evolution', *Journal of Management Studies*, 42(7), pp.1388–1389; Pollitt C 2003, 'Joined-up Government: a Survey', *Political Studies Review*, Vol1 , p.38.

[39]   Wanna J, op. cit., p.14.

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capabilities over time can be difficult.[40] To maximise the value of local arrangements, agencies need to place a premium on informal knowledge, particularly on engagement with local stakeholders; however, the transaction costs of moving this information from low-level horizontal structures upward through established vertical arrangements can be high.[41]

Program arrangements

2.13 Reflecting this broad evolution in administrative approaches, and in order to meet the Australian Government's specific coordination and engagement objectives, FaHCSIA developed five key program arrangements for the GBM initiative:

- to have GBMs reside in communities on a full-time basis;

- to give them the authority to act as the single face of government;

- to establish arrangements that require other Australian Government agencies to report to and work under GBM guidance in particular communities;

- to provide access to local priority funding; and

- to establish GBMs as a key reporting mechanism for advice about activities and progress in communities.

2.14 Each of the five program features and the issues they seek to address is discussed below.

GBMs reside in communities

2.15 GBMs reside in communities full time. This arrangement is in contrast to earlier arrangements in Indigenous affairs under which project officers and solution brokers would visit communities regularly, but only long enough to conduct a particular item of business.

2.16 By having GBMs reside in communities it is intended that governments will be able to seek immediate and ongoing information about community

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[40] O'Flynn, J, 'Working across boundaries: Barriers and enablers', *Implementation Challenges*, Crawford School of Economics and Government Policy Briefs 9, July 2010, pp.1–3, drawing on Williams P 2002, 'Competent Boundary Spanner', *Public Administration*, 80(1), pp.103–124.

[41] Jackson W 2003, 'Achieving Inter-Agency Collaboration in Policy Development', *Canberra Bulletin of Public Administration*, Issue 109, September, pp.2–-26.

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issues, rather than having to wait for their particular field officers' next visit. This would allow governments to respond to community issues in a more timely manner. This arrangement is also intended to address community concerns about the stability and consistency of government engagement, consistent with the findings of the COAG trial evaluations. Communities can now expect to deal with the same government contact for at least 12 months, with some GBMs currently serving for more than two years. Further, this government contact is intended to be more accessible to community stakeholders than was the case under earlier 'scheduled visit' arrangements.

Single face of government

2.17   Previously, Indigenous people and their organisations had to meet with different representatives from each government department, and often with different representatives from different areas of the same department, on matters affecting their communities.

2.18   This arrangement was problematic for two reasons. First, there was no single point of coordination for the timing, frequency or purpose of these visits, placing an administrative burden on communities for which it was difficult to plan. Second, there was a risk that each government representative could present a different view or message about the Australian Government's plans for the community and about how services would be delivered, and could also communicate different versions of community preferences back to their departments. Over time, even slight variations in the consistency of these messages could combine to create a high level of uncertainty in communities.

2.19   The GBM initiative seeks to resolve this issue by having GBMs act as 'the single face of government' in communities. This 'ambassador' role is intended to function as a two-way interface between communities and the Australian Government. Specifically, it is intended that departments can receive consistent advice about community priorities without imposing a burden on community leaders and organisations, who in turn receive consistent messages about government plans through the GBM. As a result, the Australian Government expects to be able to spend more time on coordination and collaboration and to better reflect community priorities in their service delivery arrangements, while communities are better informed, and so better placed to play a greater role in steering implementation of programs and initiatives in their communities.

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Agencies report to GBMs

2.20 On a day-to-day basis, GBMs are expected to manage and coordinate the activities of staff from different agencies involved in the community so as to promote a whole-of-government approach and outcomes. Each agency's officers maintain reporting relationships within their home agency. However, they are also required to carry out their work under GBM guidance so as to optimise the timing, sequencing and connections with other initiatives, and to ensure effective and orderly engagement with the community.

2.21 Requiring agencies to work under GBM guidance is intended to minimise unnecessary duplication of effort, provide opportunities to build links between service delivery arrangements, and minimise delays created by inadvertent scheduling clashes. Further, the GBM is expected to help ensure governments' service delivery activities are appropriately informed by community wishes by connecting agencies directly with relevant community leaders, informing agencies about the extent to which their activities align with community priorities, and reporting any coordination or service delivery issues for resolution by agencies' senior executives.

Local priority funding

2.22 For the first three years of the NTER, from 2007–08 to 2009–10, GBMs were able to request funding to meet local priorities sourced from a dedicated funding pool. The annual budget for local priority funding for each of these years was approximately $11 million, and funds were earmarked for expenditure on minor repairs, capital works and infrastructure projects that resulted in immediate benefits and improvements in the living environment, health, and community participation within communities. These arrangements were revised from year to year, from a 'flexible funding pool' to a 'community capability fund' to a 'local priority fund', but the overall intention remained the same: to allow GBMs to respond quickly to community requests to address minor but pressing infrastructure and capacity issues.

2.23 This arrangement was intended to provide a more timely response to a range of community issues than could be delivered through annual funding arrangements, and to enable agencies to focus on larger service delivery challenges. The arrangement also sought to improve community engagement by enabling community concerns and priorities to be acted upon more quickly and directly. FaHCSIA considered that securing these small, but important, wins would strengthen GBMs' credibility and so improve the relationship

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between the GBM and their community. Subsequently, FaHCSIA has advised that local priority funding arrangements ceased at the end of 2009–10.

GBM reporting

2.24   As the department with overall responsibility for the administration of Indigenous affairs, FaHCSIA is the lead agency for the NTER. GBMs provide weekly written reports to FaHCSIA, initially through the Operations Centre, and more recently through Regional Directors located in Alice Springs and Darwin. These reports discuss the progress of the NTER measures and any issues requiring forwarding or further attention.

2.25   GBM reports are intended to assist FaHCSIA to monitor the implementation of the NTER, and to improve coordination by passing community issues to agencies in a controlled manner, either through direct communication between agencies' senior executives or through the Indigenous Coordination Centre network. The reporting arrangement is also intended to improve governance by allowing each agency to be held accountable for the manner in which it engages with communities and delivers on its service delivery targets.

Conclusions about program design

2.26   FaHCSIA was required to develop administrative arrangements to support the deployment of 60 GBMs to work with 73 communities in order to develop an understanding of local priorities and to coordinate the engagement of a range of different Australian Government agencies. The arrangements that emerged during the initial phase of the NTER were well aligned with the Australian Government's engagement and coordination objectives for Indigenous communities in the Northern Territory. The development of an engagement and reporting model that connects the issues of a single community to multiple agencies in the APS through the GBM is also an appropriate design element.

2.27   Traditional hierarchical models of public administration would have been challenged to support the delivery of this set of activities in a way that acknowledged multiple stakeholder interests and the need to frame broad responsibilities for GBMs. The portfolio-based arrangements that have been the basis of the Australian public service have a number of advantages, including strong vertical bonds that enhance accountability, increase specialisation, and create an efficient division of labour. However, these same

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bonds can impede government efforts to tackle 'wicked' policy problems that cross portfolios, including Indigenous disadvantage.

2.28   Accordingly, the administrative design that has emerged for GBMs has more in common with a networked governance model than a traditional public sector program. Developing local networked governance arrangements allows coordination and collaboration to occur at the service delivery level while maintaining the advantages afforded by vertical departmental structures. Further, this approach reflects contemporary views relating to the benefits of citizen-centred public service delivery by establishing closer links between the recipients of Australian Government services and the agency staff responsible for delivering those services. However, local arrangements also face a number of challenges, including the need to secure and maintain authority, joining up specialised systems and resources in communities, and measuring improvements in coordination and engagement. The steps taken by FaHCSIA to address these challenges are discussed in the next chapter.

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3. Program management

This chapter examines the administrative effectiveness of the Department of Families, Housing, Community Services and Indigenous Affairs' (FaHCSIA) strategic and operational management of the Government Business Managers (GBM) initiative.

Strategic management

3.1   Effective implementation of the GBM initiative required strong strategic positioning so it could fulfil its whole-of-government role. FaHCSIA sought to do this in a manner that would support the achievement of its coordination objective through two key strategies: securing acceptance of GBMs' roles, responsibilities and authority at the whole-of-government level; and aligning the initiative with both the delivery of the other NTER measures and the phases of the NTER. The efforts made by FaHCSIA are discussed in more detail in the following sections.

Whole-of-government engagement

3.2   FaHCSIA needed to secure whole-of-government recognition of GBMs' authority in communities, and acknowledgement that agencies would work under GBMs' guidance and direction. During the period immediately following the Australian Government's announcement of the NTER, the design and implementation of the various NTER measures was overseen by a sub-group of the Secretaries' Group on Indigenous Affairs (SGIA), known as the Sub-Group on the Northern Territory Emergency Response (the SGIA sub-group).

3.3   At its first meeting of 29 June 2007, the SGIA sub-group discussed the composition of 'Australian Government Community Operation Teams'. Given the sensitive nature of most aspects of the NTER and the number of different programs and agencies that would be operating in the 73 prescribed communities, the SGIA sub-group agreed that these would include a GBM. GBMs were to be recruited by FaHCSIA in consultation with the Australian Public Service Commission (APSC). GBMs would be FaHCSIA staff (or on secondment to FaHCSIA) and would initially report to the Executive Director of the Taskforce Operations Centre.

3.4   At its second meeting on 6 July 2007, the SGIA sub-group, working from FaHCSIA briefs, established the coordinating authority that GBMs would require in relation to staff from other agencies. It was agreed that:

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- all Australian Government employees proposing to visit a prescribed community would first liaise with the GBM; and

- all Australian Government employees based in communities would report to the GBM even where the employee remained employed by a different agency (with the exception of Australian Federal Police officers).

3.5 FaHCSIA also advised the SGIA sub-group that it would develop a protocol regarding visits to communities by Australian Government employees in order to support this authority in practice. Through the role statements developed for GBMs, FaHCSIA was careful to make GBMs' coordinating role explicit, indicating that GBMs would be responsible for:

> the strategic management and coordination of Australian Government services, work[ing] with relevant agencies to oversee the provision of all Australian Government services [and] coordinat[ing] a whole of government approach for Australian Government activities.[42]

3.6 GBMs' authority was given Ministerial endorsement, with the then Minister responsible for Indigenous Affairs writing to departmental Secretaries to emphasise the importance of breaking down 'silo approaches'. The Minister noted that it was critical that agencies supported GBMs, and confirmed that the SGIA sub-group had agreed that all Australian Government employees would report to GBMs.

3.7 FaHCSIA defined GBMs' roles, responsibilities and authority over a very short period of time to support their immediate deployment. From the earliest stages, FaHCSIA ensured this approach received high-level support from the SGIA sub-group and also at the Ministerial level. Because of the rapid implementation of the NTER, flexibility was needed in establishing GBMs' authority. By the time the SGIA sub-group approved various protocols for GBMs at its September 2007 meeting, 28 GBMs had already been recruited and deployed to the field. FaHCSIA continued to further define, refine and secure necessary recognition of GBMs' authority through additional papers. The papers presented to the SGIA sub-group were comprehensive, had a focus on practical implementation, and set the stage for the role to evolve over time.

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[42]   FaHCSIA internal documents

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Aligning GBM activities with NTER measures

3.8   A further important foundation that FaHCSIA established was to align GBMs' roles and responsibilities with the activities of the broader NTER that they were intended to support. This provided an important operational link and helped to establish early parameters for the role. At its meeting of 21 September 2007, the SGIA sub-group noted a FaHCSIA paper on GBMs titled *Roles, responsibilities and reporting relationships of Government Business Managers, the Operations Centre and agencies in the NT Emergency Response*. The paper provided a high level of detail about the scope and application of GBMs' functions, including a matrix of GBM roles and responsibilities by NTER measure.

3.9   The matrix set out the agencies responsible for policy development and implementation for some 26 separate issues, broken down into 46 'elements'—the individual activities conducted under the NTER, such as health checks and lease negotiations. The role of GBMs was described for each element. While this created a large number of roles, these tended to fall within one of four broad categories of activity:

• engaging and building partnerships with communities and working with 'respected and acknowledged' elders, both men and women;

• assisting agency staff as required with the implementation of the measures (usually by providing advice about how a certain activity should be undertaken in a particular community);

• monitoring the progress of the NTER measures, and reporting this progress to government; and

• providing local logistical support by linking agencies with accommodation, vehicles and community leaders.

3.10   The SGIA sub-group agreed FaHCSIA would develop brief guides based on the roles and responsibilities paper for release to agencies. The SGIA sub-group also agreed that FaHCSIA would bring back to the sub-group 'a paper on the intersection between [GBMs], agency staff, taskforce staff, and Indigenous Coordination Centres (ICCs).'[43] This paper was presented at the sub-group's meeting of 17 October 2007. The paper discussed how the GBM

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[43]   Minutes of SGIA sub-group meeting of 21 September 2007.

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role might evolve as the NTER rollout progressed, and the implications of this evolution for the FaHCSIA network and ICCs.

3.11 In the first 'stabilisation' phase of the NTER, which ran to 30 June 2008, GBMs' primary focus would be supporting the implementation of NTER measures. FaHCSIA sought to 'circumscribe' GBMs' roles and responsibilities during this phase through the matrix in order to ensure 'sound governance and that the GBMs [did] not become overloaded'. In the medium term (the 'normalisation' phase), the GBMs' role would focus more on improving government coordination, monitoring and management in order to improve service delivery. It was also anticipated that GBMs would begin to support the implementation of other non-NTER program measures, such as the then Australian Remote Indigenous Accommodation program.[44]

3.12 FaHCSIA also undertook some analysis of the long-term future of GBMs. It advised Secretaries that the initiative would outlive the Operations Centre and possibly the initial five-year term of the NTER. The department's paper includes considered discussion about the evolving nature of service delivery in Indigenous affairs, the trend toward 'mainstreaming', the changing role of ICCs and possible long-term adjustments to FaHCSIA's regional networks.

Operational management

3.13 Effective implementation planning is a critical factor contributing to an agency's ability to successfully prepare for intended policy outcomes. An implementation plan is particularly important where policy or program implementation involves novel service delivery models, as was the case with the GBM initiative. Further, FaHCSIA's internal accountability arrangements support the development of a project implementation plan for work that (among other characteristics) is of a duration of more than two months and has a specific objective, such as budget measures, significant cross-agency or cross-department projects, and projects addressing strategic risks. The GBM initiative, while not a traditional public sector project, exhibits these features.

3.14 Effective risk management is particularly important for programs that rely on untested assumptions or models, which involve a whole-of-government dimension to delivery, or which involve working with

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[44]   FaHCSIA paper to SGIA sub-group, 21 September 2007.

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organisations outside government.[45]   The GBM initiative meets all of these criteria, and so it would be expected that its implementation would be subject to rigorous risk management arrangements. FaHCSIA has yet to conduct any systematic assessment of the risks facing the initiative, or develop strategies to mitigate these risks.

3.15   In assessing FaHCSIA's administrative effectiveness in this area, it is important to recognise that the GBM initiative was developed in an emergency context, with the department under strong pressure to deploy GBMs to communities as quickly as possible to support the implementation of the other NTER measures. This context limited FaHCSIA's capacity to develop the suite of formal program management arrangements expected for an initiative of this size, such as a project implementation plan, a risk management strategy, stakeholder analysis and engagement strategy, and a program-specific monitoring and evaluation framework.

3.16   It would be reasonable to expect that these arrangements, suitably modified to reflect the specific nature of the initiative, would be developed over time, once the stabilisation phase had passed. However, a number of factors have created a high level of uncertainty around future developments for the NTER, and these have prompted the department to be cautious about developing long-term plans for the GBM initiative. These include:

- **uncertainty about ongoing funding** for the NTER and the GBM initiative—while the government at the time committed to deploying GBMs in communities for the full five years of the NTER, the election of a new government at the end of 2007 led to some modification of this position. The GBM initiative was allocated annual funding for 2008–09, with funding for the remaining three years of the NTER only being secured in the 2009–10 Budget;

- **the NTER Review**[46]—the Review had the potential to make recommendations for sweeping reforms to the NTER, including the GBM initiative. The Review was underway at the end of the stabilisation phase, which was the earliest FaHCSIA could have been expected to commence formalising program management

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[45]   PM&C / ANAO, *Implementation of Programme and Policy Initiatives – Better Practice Guide*, October 2006, pp. 19–20.

[46]   See Chapter 1 – Introduction, The NTER Review, paragraph 1.18.

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arrangements for the initiative. It would have been premature to develop long-term plans for the initiative before the Review Board reported in October 2008;

- **a subsequent restructure of management arrangements for the NTER**—the NTER had been overseen by the SGIA sub-group, the NTER Taskforce, an Operations Centre and a Project Management Board. Over the course of 2008–09, these structures were dismantled as they either served their charter or as FaHCSIA had sought to integrate their activities with its mainstream operations. This shifting operating environment influenced the speed and manner in which formal program management arrangements could be developed;

- **the NTER Redesign**—in its response to the NTER Review, the Australian Government committed to reviewing and possibly amending a number of the arrangements in place for the NTER. From June to August 2009, it held extensive community consultations about which measures should be changed, and how. A formal policy position about these changes was not issued until November 2009; and

- **the National Partnership Agreement on Remote Service Delivery** — the launch of the National Partnership Agreements for Indigenous affairs required the development of new approaches to service delivery in remote communities across Australia, including in the Northern Territory.

3.17 It is important to acknowledge that, despite a high level of uncertainty about the future of the NTER and the GBM initiative, FaHCSIA has provided effective governance of the initiative since it first commenced in 2007, allowing GBMs to perform a central role in the various reviews and consultation processes listed above. The department has been able to draw on its existing human resource management capabilities to deploy and support GBMs Further, oversight of the initiative, including ongoing risk management activities, has been supported by a number of NTER-specific organisational arrangements, including the Operations Centre, the NTER Project Management Board, and the NTER Taskforce. As later discussed in Chapter 4—Program implementation, these arrangements have served the initiative well, resulting in the establishment of a stable government presence in communities to support ongoing engagement and coordination. However, as the emergency stabilisation phase of the NTER has passed, these oversight structures have been progressively dismantled, with management for the GBM

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initiative becoming progressively integrated with FaHCSIA's regular departmental structure.

3.18 Following the Operations Centre's closure, the initiative's management has now been assigned to FaHCSIA's NT Manager and a pair of Regional Directors, with additional support from the human resources and national network management branches in FaHCSIA's national office. In order to support these new governance arrangements to continue to provide the same level of steering and oversight as was previously provided by multiple structures, there is merit in exploring more formal approaches to project implementation planning and risk management. FaHCSIA has advised that it is currently developing a project implementation plan and an accompanying risk management strategy to support the GBM initiative's ongoing implementation.

Conclusions about program management

3.19 The GBM initiative was developed in an emergency context, with design and agency consultation arrangements completed in a matter of weeks. By engaging with the SGIA and its Minister at the commencement of the NTER, FaHCSIA quickly secured whole-of-government agreement about the initiative's purpose and scope. Further, FaHCSIA sought to align the GBM initiative's activities with those of other NTER measures by documenting GBMs' roles and responsibilities for each of the new NTER initiatives.

3.20 The GBM initiative is a complex activity that requires both an element of responsiveness and an element of longer term planning to sustain its implementation. Its objectives of enhanced community engagement and improved government coordination will not necessarily be achieved by undertaking a series of planned activities in the same way as a typical project. Rather, it is likely that progress toward its objectives will be achieved through the maintenance of an active, stable presence in communities, able to respond quickly to changing circumstances and emerging policy initiatives.

3.21 A necessary focus on implementation during the emergency phase limited the early development of formal program management arrangements, with the department drawing on existing capabilities and new, NTER-specific management structures to provide effective management for the GBM initiative instead. Longer-term planning and risk management approaches would be expected to be developed over time, but uncertainty about the future direction of the NTER and the GBM initiative have made it necessary to be

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more cautious about developing these approaches. Accordingly, formal reviews of program management arrangements, previously planned for each phase of the NTER, are only now taking place. FaHCSIA has advised that it is developing longer-term project planning and risk management arrangements in order to support the GBM initiative's ongoing integration with its regular management arrangements in the Northern Territory.

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4.   Program implementation

This chapter examines the Department of Families, Housing, Community Services and Indigenous Affairs' (FaHCSIA) role and performance in implementing the core activities of recruitment, deployment, support and individual performance management for the Government Business Managers (GBM) initiative.

Overview

4.1   Implementation of the Government Business Managers (GBM) initiative largely comprised human resource management activities: workforce planning, recruitment, orientation and training, deployment, ongoing support and performance management. The overall objective of these activities was to create a more constant and consistent Australian Government presence in Indigenous communities in the Northern Territory (NT), one capable of greater engagement with those communities and managing the coordination of local service delivery arrangements. This chapter discusses the extent to which FaHCSIA's implementation arrangements support the achievement of these objectives.

Workforce planning

4.2   Workforce planning refers to the manner in which an organisation achieves sustained performance and accountability through the development of a capable workforce. There is no single approach or common model to workforce planning. However, an organisation's investment in workforce planning should be commensurate with its workforce expenditure, the size and complexity of the relevant strategic context and the risks posed by the operating environment, now and into the future.[47]

4.3   The Australian National Audit Office's (ANAO) 2004–05 performance audit of workforce planning arrangements in the Australian Government highlighted the need for agencies to:

> undertake a workforce risk assessment in relation to their desired organisational capability. This should include an assessment of the workforce implications of the strategic direction of the agency. It should also consider the likelihood and consequences of staff shortages, in overall staff numbers and in

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[47]   Australian Public Service Commission, *Building business capability through workforce planning.*

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relation to mission-critical occupations or competencies. Both short- and long-term consequences should be considered.[48]

Ten agencies, including FaHCSIA, agreed with the ANAO's recommendation that 'agencies identify workforce risks specific to their agency with clear reference to a consideration of organisational capability.'[49]

4.4　From the outset, GBMs have been given a critical role in the overall implementation of the NTER and successful deployment and management of GBMs can be expected to have an influence on the overall performance of the NTER. As it is essentially an initiative to identify, deploy and support field officers, it follows that FaHCSIA's capacity to undertake these roles will have a bearing on the success of the GBM initiative. Accordingly, workforce planning assumes a key role in the implementation of the initiative.

4.5　Strong workforce planning becomes more significant when the success of the NTER is considered over the longer term. The NTER was conceived as an intervention that would last at least five years and would comprise three distinct phases: stabilisation, normalisation and longer term support. Individual GBMs are deployed on 12 month contracts, and while many of these contracts are renewed, resulting in an average deployment period of greater than a year (see *Deployment* later in this chapter), the expected multi-year nature of the NTER indicates a need to develop a capability to identify and effectively deploy new GBMs on a regular basis. As discussed in Chapter 3 at paragraphs 3.10 to 3.12, FaHCSIA clearly understood that the GBM initiative need to be revised to ensure it was aligned with the objectives of each phase. Further, FaHCSIA understood that the GBM role would likely outlast the NTER, thus warranting long-term planning arrangements to support the initiative's ongoing effectiveness.

4.6　Posting of large numbers of departmental officers into remote locations was a new task for FaHCSIA and one which had to be done rapidly. Further, there was not an available pool of officers within FaHCSIA that could be deployed at short notice to cover all 73 prescribed communities so the task was compounded by the necessity to bring in officers from other agencies or external to the APS. Accordingly, FaHCSIA's scope to develop formal

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[48]　　Australian National Audit Office 2005, *Workforce Planning*, Report No. 55 2004-05, p.46.

[49]　　Ibid.

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workforce planning arrangements was limited during the initial phase of the NTER by the emergency context and the need to deploy GBMs quickly.

4.7 Over time, however, the department would be expected to develop, document and review such arrangements. For example, roles and responsibilities statements would normally be revised to better align with the objectives of each NTER phase and the needs of particular communities; knowledge management arrangements would be developed to capture and communicate lessons learned from previous GBMs; and risks to consistent coverage of communities would be identified and strategies to mitigate these risks developed. As discussed in more detail at the end of the previous chapter, a range of factors have prompted FaHCSIA to delay this work until recently.

4.8 Overall, FaHCSIA's implementation of the GBM initiative has achieved its desired deployment objectives and, over time, different areas of the department have sought to refine particular aspects of workforce management arrangements, such as performance management and support arrangements. While an analysis of the strategic and operational risks facing the GBM workforce has yet to occur, FaHCSIA has advised that it will undertake such an analysis and prepare a risk management plan to accompany its project implementation plan.

4.9 According to FaHCSIA, its NT office is reviewing the GBM recruitment package, including role descriptions, conditions and recruitment practices. This work, once finalised, is intended to achieve greater alignment between workforce strategies for the GBM initiative and the strategic frameworks in place for both the National Partnership Agreement on Remote Service Delivery and the Closing the Gap policy framework. FaHCSIA also intends that management of the GBM workforce will be integrated with the broader management strategy for FaHCSIA's NT staff network. This integration will be facilitated by a Change Management Team (CMT) led by the State Manager. FaHCSIA has advised that the CMT was established in recognition of the fact that the State Office had grown very rapidly over the past two years, that a focus is required on a range of issues including workforce planning, and that the deployment of staff to remote areas has particular challenges. As a large part of this growth can be attributed to the employment of GBMs, they are included as members of the CMT and will take the lead on a range of workforce planning issues.

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Recruitment

4.10   At the commencement of the NTER, FaHCSIA's People Management Branch took responsibility for the recruitment and orientation of GBMs. As an early step, expressions of interest were sought from substantive Senior Executive Service and Executive-level APS staff by the Secretary of FaHCSIA on 25 June 2007 to be forwarded to their relevant departmental Secretary by 2 July 2007. The request for expressions of interest described the following role requirements:

- resilient, highly organised, innovative people with high-level leadership, judgement and initiative;

- able to communicate effectively and sensitively with Indigenous people and achieve outcomes in difficult, complex and sensitive environments; and

- able to liaise with a wide range of stakeholders, coordinate and enable solutions that draw on contributions from multiple agencies and other sectors and effectively monitor and report progress to interested parties.

4.11   The initial call for expressions of interest, and promotional material prepared when the roles were offered more broadly, directed potential applicants to FaHCSIA contact officers for information. Concurrently, FaHCSIA's website was updated to include information about the GBM role and responsibilities, and a number of practical documents about living conditions and climate extremes in remote communities in the NT, and difficulties that may be experienced with communication systems, isolation and uncertainty. In addition, FaHCSIA provided information sessions about the role.

4.12   GBMs who were not FaHCSIA officers were offered 12-month contracts on temporary transfer to FaHCSIA. Because of the remote locations, basic accommodation and limited services, positions were advertised as 'unaccompanied' – that is, there would be no provision for family members to accompany a GBM on a posting. To encourage applications from APS employees, potential applicants were offered financial incentives to relocate including allowances, rent-free accommodation and funded reunion visits. Additionally, FaHCSIA advised each agency head should undertake to reintegrate the staff member back to their agency at the original level and in a similar role they had prior to the deployment in the NT. A medical history and

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an AFP criminal record check were also a requirement of the application process.

4.13 The initial request for expressions of interest via the APS internal round resulted in 630 applications. Given time constraints and the number of applications, a consultant was engaged to assist FaHCSIA to filter and shortlist applicants. Multiple selection committees were established to consider the shortlisted applicants. Each committee was chaired by a senior FaHCSIA officer and included an Indigenous member. Employment contracts were negotiated with successful candidates based on their existing base salary, experience and skill. An Emergency Response Task Allowance of $25 000; a Remote Localities Allowance of $10 000; a Settling-in Payment of $2000; and storage and excess baggage costs were included as part of the remuneration package. Benefits included six reunion visits annually and an additional seven days annual leave. Successful candidates were provided with a vehicle suitable for the local terrain.

4.14 Despite time pressures for the recruitment and deployment of more than 50 senior managers to remote locations, FaHCSIA delivered a recruitment round consistent with APS requirements. The department was also able to deliver an orientation program and minimum standards accommodation. Over time, staff from the FaHCSIA NT Office, Regional Operations Centre and GBM Support Units have become increasingly involved in the recruitment and selection processes. FaHCSIA has advised that, from 2010–11, its NT Office will manage the recruitment, orientation and deployment processes for future GBMs.

4.15 FaHCSIA's decision to target recruitment at the ready pool of at-level APS employees allowed them to be transferred quickly from their home agency to FaHCSIA and, if required, return to their home agency following the 12-month contract period without any loss of APS entitlements. The short-term transfer arrangement for APS employees also provided opportunities for individuals to increase their knowledge of Aboriginal communities and for agencies to use this knowledge to improve their own service delivery to communities.

4.16 FaHCSIA made effective use of its website to support the selection process. Information about the challenges that candidates might experience on location was clear and practical. The documents provided a realistic view of the isolated nature of the environment and the role. Further, the use of web enabled technology to receive and manage GBM applications and the

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engagement of a consultant to manage the administrative functions of the recruitment process freed FaHCSIA staff to speak with potential applicants and focus on the selection processes of interviewing and referee checking.

4.17 The initial 12-month employment contracts for GBMs provided FaHCSIA with the scope to review workforce planning for the role including necessary skills, employment conditions, deployment and orientation and performance management arrangements. Additionally, a 12-month contract for GBMs provided a level of stability and consistency for communities and reduced the risk that a GBM might lose their independence or objectivity over the longer term.

Orientation

4.18 Orientation was an important prerequisite for GBM deployment. In its response to the NTER Review, the department noted that that GBMs would attend an orientation program prior to taking up duties in a remote locality in the NT. The initial GBM orientation program provided general information about Indigenous culture and remote area working conditions in addition to information about FaHCSIA policy and administrative requirements. GBMs interviewed by the ANAO reported spending a week in Canberra where the focus was on FaHCSIA protocol and administration followed by a week in Darwin learning what the job entailed and networking with their GBM cohort.

4.19 GBMs interviewed commended the orientation program as an effective strategy for establishing professional networks, but commented on the lack of information and practical advice about community engagement. GBMs indicated that the material presented about Aboriginal people in the NT was generic and did not adequately address the geography, size, language and clans of the communities; nor were the complexities of cultural matters such as traditional owners, elders or initiated men discussed. GBMs interviewed considered that such cultural understanding was important to engage with the community effectively.

4.20 FaHCSIA advised that the GBM orientation program has evolved over time; for example, 4WD training took place in Canberra until it was realised that providing training in the NT was more appropriate. A remote area first aid program was also developed and delivered as the standard first aid program was inappropriate for remote conditions. Additionally, orientation and recall programs originally delivered by FaHCSIA's National Office are now delivered through the NT Office.

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4.21   FaHCSIA staff indicated that there is now a greater awareness of the diversity of the communities and individual requirements within different communities. Accordingly, information and resources for GBMs is being prepared to address these requirements. It would be difficult to coordinate in-depth briefings on each individual community for each GBM prior to their deployment but some time spent in a community prior to orientation, or as one element of orientation, would help GBMs identify knowledge gaps and seek targeted rather than generic information and resources at orientation.

4.22   The four NT Lands Councils and the NT Local Government Association were not been included on orientation or recall programs for GBMs. A briefing from these groups as part of orientation would also help to address some of the gaps in developing knowledge about communities, given the long-standing involvement of these bodies in community affairs in the NT.

Deployment

4.23   In the initial phase of the NTER there was no formal process to guide how a GBM was matched and introduced to a community. FaHCSIA has advised that currently GBMs are matched to communities via a consultation process between GBM Support Unit Managers and Regional Directors. Factors considered as part of this process include the skill and experience of the incoming GBM and the complexity of the community in terms of issues/stakeholder management and location. Consideration is also given to other GBMs in the region and the potential for other rotations at the time of the appointment of the new GBMs. This process is applied when assigning GBMs to communities in the first instance and in subsequent appointments.

4.24   Given the Australian Government's emphasis on engaging communities by establishing a dedicated presence, the GBM initiative's deployment and handover processes need to be efficient to support a smooth transition between one GBM and the next, and to minimise the amount of time any given community is without a GBM. FaHCSIA's recognition of the importance of maintaining this continuity is reflected in performance indicators tracking the number of recruitment rounds conducted to maintain the pool of GBMs and the collection of deployment and handover data.

4.25   According to the NTER Plan, one of the key indicators for the GBM initiative is 'number of recruitment rounds undertaken to ensure optimum number of GBMs is maintained'. While focused on inputs (recruitment rounds) rather than outputs (number of GBMs) or outcomes (length / level of

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coverage), this indicator implies an intention to maximise coverage of NTER communities and the provision of a consistent, stable presence over time. The ANAO analysed the start and end dates for GBM deployments for all 73 communities serviced by GBMs to examine performance in this regard.

4.26 FaHCSIA's deployment data showed that there were very few gaps between GBM deployments, and that where these occurred, they were for a limited duration (typically days, and occasionally several weeks). The data indicate that where delays were expected between the end of one GBM deployment and the commencement of the next, relief arrangements effectively filled these gaps. The deployment data also show that most communities have been supported by the same GBM for at least 12 months at a time. Approximately 80 per cent of communities were serviced by three or fewer GBMs since the NTER commenced in July 2007, resulting in a mean service period greater than a year. Approximately one in three communities have experienced only a single GBM handover, indicating a very stable GBM presence over time in these communities. Overall, the data indicate that FaHCSIA has been able to maintain a desired level of coverage across communities and has been able to maintain a consistent presence in most of the NTER communities serviced by GBMs.

Handover arrangements

4.27 The recruitment and deployment process serves to position FaHCSIA to make a smooth transition between outgoing and incoming GBMs. For this to be fully effective, an adequate handover period is required so that the incoming GBM can more quickly establish relationships and maintain momentum.

4.28 With respect to supporting a smooth transition from one deployment to the next, GBMs interviewed expressed a consistent view that handovers were either too short, did not occur in the community, or did not occur at all. There was rarely time for the incumbent GBM to spend any real time with their replacement, limiting opportunities to share knowledge about the community, make key introductions at the community, NGO and government levels and communicate an understanding about the community's ongoing and emerging priorities.

4.29 As a result, GBMs reported facing significant challenges trying to learn as much as they could while maintaining the momentum of the previous GBM's activities. These efforts were hampered by the lack of formal

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knowledge management arrangements, such as a directory of services, detailed community profiles or a community plan. Community stakeholders interviewed by the audit team advised that the arrival of a new GBM created significant delays for service delivery arrangements as responsible parties sought to develop a shared understanding of their mutual priorities and requirements from a low starting level of knowledge.

4.30 FaHCSIA acknowledges the challenges associated with ensuring an effective handover, including delays in recruitment processes, incoming GBMs commencing later than originally planned, and unexpected or unplanned departures of GBMs prior to the end of their contract. It is important not to underestimate the difficulty of this task: even with relatively stable GBM deployments for most communities, the large number of communities involved in the NTER results in a large number of handovers occurring, with more than 150 occurring since July 2007 across all 73 communities.

4.31 Over time, FaHCSIA has sought to implement a range of handover arrangements to address these issues, including:

- arranging a brief handover from the outgoing GBM to an interim GBM, within or outside the community;

- a handover from the outgoing GBM to another existing GBM who will cover the vacancy until the incoming GBM arrives;

- handover from the outgoing GBM to other appropriate FaHCSIA staff who have a relationship with the community; and

- arranging for handover documentation supplied to the incoming GBM by the GBM Support Unit.

4.32 FaHCSIA has advised that when a new GBM is deployed without having the outgoing GBM present, they are usually introduced to the community either by ICC staff, Indigenous Engagement Officers (see below) or other FaHCSIA staff with links to the community.

Support

4.33 GBMs operate in challenging conditions caused by isolation, geographic remoteness and, in some cases, the nature of social conditions prevailing in the community to which they have been assigned. As FaHCSIA

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officers, GBMs have access to the usual support mechanisms available to all FaHCSIA employees, such as the Employee Assistance Program[50]. Additionally, in recognition of their unique circumstances, FaHCSIA has developed a range of GBM-specific support services, discussed below.

Occupational Health and Safety Measures

4.34   All GBMs are provided with an Emergency Position Indicating Radio Beacon (EPIRB) to be used in a crisis to alert authorities and provide a geographical location to direct assistance. This device transmits a signal to a family of dedicated satellites for re-transmitting to ground stations that alert search and rescue authorities. GBMs are also provided with 4WD and remote first aid training. As mentioned earlier, additional annual leave and provision for reunion visits have also been incorporated into the GBM deployment package. GBMs are in regular contact with a range of FaHCSIA staff and their peers through regular teleconferences. FaHCSIA has established a 24 hour emergency hotline for GBMs. This hotline is tied to EPIRB emergency contact arrangements, as well as being available for GBMs who simply wish to discuss personal or professional issues.

GBM Mentor

4.35   A GBM mentor was appointed in November 2008. FaHCSIA advised the GBM mentor provided practical coaching either via telephone or community visits, acted in place of a GBM when leave was taken, and helped prepare orientation and recall programs. FaHCSIA did not formally document the role, responsibilities and level of appointment for the mentor position.

4.36   As at March 2010 there was no longer any dedicated mentor support for NTER GBMs. FaHCSIA advised that in its place are a number of organisational support mechanisms such as the GBM Support Units and Regional Directors in the north and south of the NT. Further, the GBM mentor based in the Regional Operations Centre[51] (ROC) in Darwin, who supported GBMs in National Partnership Agreement sites, also had a mandate to support other GBMs in the north of the Territory. Following this officer's transfer to a

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[50]   A free, independent and confidential service providing advice about personal, financial and work concerns.

[51]   An interagency office established to oversee the implementation of the National Partnership Agreement on Remote Service Delivery in the Northern Territory.

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different role in the ROC, both the southern and northern regions of the NT called for expressions of interest for a GBM mentor. This position was filled in the southern region in June 2010, and the northern region mentor commenced in August 2010. Both positions will support all GBMs in the Northern Territory, whether in NTER or National Partnership Agreement sites.

4.37 The ANAO's interviews with GBMs suggested that, as orientation provided limited practical advice about how to do the job, and access to management was limited due to the significant numbers of staff supported by the Operations Centre and now the NT State Office, access to a mentor during their initial deployment phase to debrief and support learning would be beneficial and welcomed.

Indigenous Engagement Officers

4.38 The NTER resulted in significant interventions into individual and community life. These interventions required people living in the NTER communities to rapidly understand and adjust to the changes affecting them. For example, compliance requirements for the welfare measures of the NTER were stringent and the application of the measures needed careful explanation to ensure individuals understood the processes involved. The selection process for GBMs placed importance on applicants being able to work in cross-cultural situations but it was not practical to include specific language skills as part of the selection requirements. The lack of appointed translators and/or clear visual messages to accurately convey information to community members whose first language was not English was a significant challenge in the early stages of the NTER.

4.39 At the SGIA sub-group meeting of 21 September 2007 it was suggested that there was an opportunity to employ Indigenous 'deputies' to work with GBMs as a way to more fully identify and communicate the application of the NTER to communities and to help fully understand community circumstances. This suggestion was supported and the role of an Indigenous Engagement Officer (IEO) was developed. Originally 20 positions were funded. The first IEO was engaged in October 2008. GBMs interviewed considered the introduction of the IEO role as a positive step, citing significantly increased community engagement and personal and professional growth for the IEO and themselves. GBMs placed a high value on IEOs' capacity to provide a 'reality check' on the quality of their engagement with the community, to provide advice about community perceptions about the effectiveness of their coordination efforts, and to navigate sensitive cultural situations.

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GBM Support Units

4.40 Support mechanisms for GBMs have gradually evolved, consistent with the move from the stabilisation phase to the normalisation phase of the NTER. GBM Support Units were established in Darwin and Alice Springs. GBM Support Units also coordinate a fortnightly teleconference for GBMs and provide emergency and after hours support with a 24 hour phone contact. Each Support Unit comprises:

- a Regional Director, who provides the GBM Support Unit with advice and policy direction in relation to National and State service delivery under the NTER, the GBM role and the function of GBM Support Units;

- a Support Unit Manager, who is responsible for the functioning of the GBM Support Unit;

- a Business Support Officer, who provides GBMs with supportive structures to enable administrative support, communications, deployment, training and development, financial governance, emergency and safety responses; and

- a Staff Support Worker, who is responsible for the provision of confidential counselling and personal support for GBMs.

4.41 GBMs interviewed by the ANAO provided consistently positive feedback on the assistance provided to them by individual officers and by the Support Units in general.

Performance management

4.42 APS performance management processes serve a number of purposes: aligning individual work with whole-of-government objectives; providing measures of organisational and individual accountability; recognising and rewarding good performance; improving average performance and managing underperformance; and from a workforce planning perspective, identifying and developing required capabilities for a capable, adaptive and effective workforce.

4.43 Performance management provisions are set out in the *Australian Public Service Act 1999*, the *Public Service Commissioner's Directions 1999* (as amended) which include requirements in relation to the APS Values, and the Policy Parameters for Agreement Making in the Australian Public Service. These define the legal and policy context for the introduction and implementation of performance management systems.

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4.44 The Directions require that an agency puts in place a fair and open performance management system that:

- covers all APS employees;

- guides salary movement and is linked to organisational and business goals and maintains the APS Values; and

- provides APS employees with a clear statement of performance expectations and an opportunity to comment on those expectations.

4.45 The rapid deployment of GBMs resulted in a staffing model where more than 50 senior appointments reported to one person, the Operational Commander. This made performance monitoring and the provision of ongoing feedback impractical in the initial stages of the NTER. A further difficulty was that, while the role of a GBM could be broadly defined, community-specific outcomes that could result from a GBM's work were not defined. In the absence of broader community plans or service delivery agreements, there was no established context for prioritising activities and measuring progress. Accordingly, FaHCSIA was not well positioned to link individuals' performance with broader goals.

4.46 In June 2008, concerns about the safety of remote area accommodation for government staff led to the *Review of issues related to the acquisition and management of container accommodation in the Northern Territory and the management of Asbestos* (the Blunn review). The Blunn review found that there was a lack of clarity about what was expected of GBMs and how their performance would be appraised. The review further noted a lack of any established systems for appraising performance.

4.47 Following the closure of the Operations Centre in mid-2009 FaHCSIA has transferred responsibility for GBMs to its NT Office. FaHCSIA has advised that all GBMs now have individual performance agreements and these are managed using the FaHCSIA Individual Performance Management System (IPMS) Guidelines. The Guidelines state that the performance management framework provides managers and employees with opportunities to identify, discuss, review and plan for performance, and ensure links with business outcomes through clear expectations and capability development. It was too soon after the implementation of these arrangements for the ANAO to form an opinion about the extent to which this has actually occurred.

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Conclusions about program implementation

4.48 FaHCSIA's workforce management strategies were effective, particularly given the scale and emergency context of the GBM initiative. Despite pressure to recruit and deploy more than 50 senior managers to remote locations in a short period, FaHCSIA delivered a recruitment round consistent with APS requirements, an orientation program, and remote area accommodation.

4.49 The department's efforts resulted in the deployment of 28 GBMs by September 2007, and a total of 51 GBMs in the first year of the emergency response. Overall GBM coverage of communities has been consistent, with most communities having a continuous GBM presence throughout the NTER; where breaks have occurred, these have been of limited duration and largely covered by relief GBMs. The GBM initiative has also provided most communities with a more stable and consistent Australian Government presence, with one in three experiencing only a single handover since the commencement of the NTER, and more than 80 per cent having three or fewer different GBMs.

4.50 As the NTER has progressed, different areas of the department have sought to refine particular aspects of workforce planning for the GBM initiative, such as performance management and support arrangements. FaHCSIA has recently established a Change Management Team to integrate management of the GBM workforce with the department's broader strategy for the Northern Territory. This step should better position the department to effectively plan for future workforce requirements.

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5.   Program performance

This chapter examines available information about the Government Business Managers (GBM) initiative's contribution to improving engagement with communities and Australian Government agencies and improving whole-of-government coordination in the Northern Territory.

Performance information

5.1   There is presently little performance data available to support an assessment of the extent to which the Government Business Managers (GBM) initiative has contributed to improvements in community engagement and whole-of-government coordination in the Northern Territory. The 2008 review of the Northern Territory Emergency Response (NTER) made similar observations about the limited performance information available to support an analysis of the effectiveness of the various NTER measures. Accordingly, the audit has focused on the administrative effectiveness of the program arrangements intended to support the achievement of the initiative's engagement and coordination objectives: engaging with communities and coordinating government agencies; reporting to the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA); and expenditure on local priority projects.

5.2   Presently, there are two key performance indicators (KPIs) for the GBM initiative: the number of GBMs deployed, and the number of GBM recruitment rounds conducted to engage new GBMs. Coverage of the GBM initiative in quarterly internal monitoring reports, which are distributed within FaHCSIA and to other agencies, has been limited to the number of GBMs deployed. While these indicators are consistent with the KPIs in the overall Monitoring Plan for the NTER, they do not provide sufficient insight into what the initiative has achieved in terms of improving engagement or coordination. Coverage of the GBM initiative in reports to the NTER Project Management Board (PMB) prior to April 2009 comprised a traffic light indicator (green in all samples analysed by the ANAO) and a percentage of budget expended at the end of a particular month ('na' for all samples).

5.3   The PMB report for the April–June 2009 quarter included a substantial change in format. This report included greatly expanded information about the activities of GBMs, the benefits realised from these activities, issues and risks arising from implementation, an overall outlook and actions arising from the

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initiative. Situation reports prepared by FaHCSIA on the implementation of the NTER (see 'GBM reporting' later in this chapter) contained a similar level of detail. For example, the February 2010 report included brief notes about progress on GBM recruitment, leave arrangements, IEO deployment arrangements and accommodation issues. An attachment to the report included information about revised GBM support arrangements, an overview of GBM deployment statistics, an update of GBM deployment and recruitment arrangements, a list of communities with Indigenous Engagement Officers and an overview of a review of FaHCSIA's network structure.

5.4   While providing a good level of insight into the implementation of the GBM initiative, these reports provide little indication of whether the GBM initiative is achieving its engagement and coordination objectives. Situation reports are focused on implementation rather than effectiveness. PMB reports previously included discussion of the outcomes of individual GBM activities, but this information has not been collated or analysed to develop an overall view of the initiative's effectiveness, and the PMB is no longer in operation.

5.5   FaHCSIA has advised that it will conduct a number of thematic studies throughout 2010 and 2011 related to the key outcomes of the NTER, including coordination. FaHCSIA has further advised that, while not specifically evaluating the effectiveness of the GBM initiative, the coordination study would seek to determine whether whole-of-government coordination arrangements for the NTER have been effective overall, and this would include consideration of the role of GBMs. It is likely that the evaluation studies will encounter the same challenges faced by the ANAO in obtaining performance data about the GBM initiative.

5.6   The ANAO acknowledges the challenges associated with determining whether coordination efforts have been effective, and especially the difficulty of measuring short- and medium-term changes resulting from an initiative intended to affect programs that have long-term outcomes. This is particularly the case for the GBM initiative, given the large number of NTER activities and Australian Government stakeholders to be coordinated and the diversity of implementation arrangements across communities. However, it is important that FaHCSIA explore options for assessing the effectiveness of the GBM initiative in order to inform future reforms; the ongoing deployment of GBM-type officers in other states to support the National Partnership Agreement on Remote Service Delivery; and future resourcing decisions, given that funding for the initiative has only been approved to 2011–12.

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5.7   FaHCSIA may be able to draw upon public sector management research into measuring joined-up approaches to service delivery to improve current monitoring and evaluation arrangements. For example, Christopher Pollitt's 2003 paper 'Joined-up Government: a Survey', published in *Political Studies Review* (1:1, pp. 34–49) discusses the many challenges associated with monitoring and evaluating joined-up government, including distinguishing between the effectiveness of the activities being coordinated from the effectiveness of coordination efforts; capturing stakeholder perceptions that will conflict and evolve over time; and constructing plausible 'counterfactuals' about what might have been different had coordination efforts not been in place. Pollitt outlines three approaches to evaluating 'joined-up government', each with its own strengths and weaknesses, but which together can help a department to assess whether its coordination efforts have made a difference. These include:

- **assessing better practice**—developing a range of short-term indicators that focus on 'emerging prescriptions' arising from coordination-specific activities, such as joint planning on cross-cutting themes, the development of common budgets that can only be unlocked through agreement, the development of joint teams to tackle particular issues, and joint development of staff. While focused on inputs and processes rather than outcomes, these indicators can help to build an early understanding about how stakeholders' activities have changed in response to the initiative;

- **stakeholder surveys**—these would need to include meetings with focus groups and individual interviews to obtain the contextual depth necessary to support a robust analysis, and be conducted over a period of time in order to capture shifting medium-term stakeholder perceptions about the value of the initiative and the factors supporting or impeding its progress; and

- **evaluating outcomes**—reviewing policy development and service delivery arrangements for evidence of integration as a measure of success, or of ongoing fragmentation, duplication or contradiction as an indicator that different approaches are required.

The department may find Pollitt's analysis and other resources highlighted in the article useful for tackling this challenge, if only to convey the difficulty of this task to the initiative's stakeholders.

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5.8 Similar research is available to support the development of a framework of indicators and longer-term evaluation activities to assess the effectiveness of GBMs' community engagement efforts, including a growing body of Australian and international research on measuring the effectiveness of citizen-centred approaches to community engagement. In the short term, the department could also analyse and report on the GBM initiative's performance against the indicators discussed in Chapter 4, such as the length of GBM tenure and the duration of gaps between GBM appointments, in order to convey the initiative's effectiveness with respect to providing a stable and consistent government presence in communities.

Local engagement and coordination

5.9 The ANAO obtained information about GBMs' performance in communities from four sources: GBM weekly reports submitted to FaHCSIA; interviews conducted in 12 communities in November 2009; Visiting Officer Notification (VON) system statistics; and the findings of other reviews and reports on the NTER measures.

5.10 GBMs' local engagement and coordination activities fall under two categories:

- engaging with communities—meeting and working with elders, Aboriginal organisations and community residents; and

- working with government—meeting and working with visitors from Shire Councils, the Northern Territory government and the Australian Government, as well as those that reside in the community (for example, teachers and police officers).

Engaging with communities

5.11 GBM engagement with communities occurs both formally and informally. Formally, GBMs will attend scheduled meetings with elders, organisations and community residents where they will answer questions about service delivery arrangements, provide information about recent developments and seek information about communities' development priorities and service delivery preferences. Informally, GBMs visit key locations in the community—such as the CDEP organisation, community store, school or arts centre—and talk about those issues residents choose to discuss.

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5.12   Feedback from interviews with community stakeholders indicated that they had high expectations about their GBM's availability. GBMs interviewed by the ANAO confirmed this, and indicated that they were expected to be available at any time of the day or night, seven days a week. Most of the GBMs interviewed for the audit had established a well-known daily route in the community, which meant that residents would know where a GBM was likely to be at any time. Consistent with the findings of the COAG trial evaluations and the NTER Review, residents spoke favourably about GBMs who were generous with their time, placed an emphasis on listening and who could be trusted to follow up on important issues, even if they were not successful in these efforts.

5.13   In some communities, Indigenous Engagement Officers (IEOs) play an important role in facilitating formal and informal engagement with the GBMs (see Chapter 4—Program implementation— Indigenous Engagement Officers). IEOs are senior members of the community who have been appointed to play a key liaison support role, acting as a translator, an intermediary in sensitive negotiations and an adviser to the GBM about community perceptions, as well as helping to share the load created by large numbers of visitors to the community. IEOs are engaged by FaHCSIA on 12-month contracts. IEOs played an important role in the extensive NTER redesign consultations throughout the second half of 2009 by assisting community people to participate in local consultation workshops. The November 2009 Policy Statement arising from these consultations highlighted the critical importance of the IEO role, earmarking $34.6 million over three years (from 2009–10) to provide ongoing funding for IEOs.[52]

Community development

5.14   The roles and responsibilities statement for GBMs makes it clear that GBMs are not 'community development officers'. However, beyond broad agreement within FaHCSIA and among GBMs that GBMs are not advocates for communities, it is not clear what activities might be defined as 'community development'. The normative model developed for this audit anticipated that GBMs would perform their coordination duties in the context of a community

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[52]   Australian Government 2009, *Policy Statement: Landmark Reform to the Welfare System, Reinstatement of the Racial Discrimination Act, and Strengthening of the Northern Territory Emergency Response*,<http://www.fahcsia.gov.au/sa/indigenous/pubs/nter_reports/policy_statement_nter/Pages/closing_gap.aspx> [accessed 22 March 2010]

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development plan or service delivery agreement, developed in consultation with agencies and communities. Drawing on their understanding of community priorities, developed through ongoing local engagement efforts, GBMs would be responsible for determining whether the plans continued to give appropriate consideration to evolving community views, and for monitoring and reporting on their implementation. In turn, this would assist GBMs, and ultimately the Australian Government, to focus on the priorities of the community, and to seek to increase the alignment between these priorities and those of government agencies.

5.15 In practice, none of the communities visited during the audit were covered by such a plan or agreement. One community, which was a priority site under the National Partnership Agreement on Remote Service Delivery, had commenced developing a Local Implementation Plan. These plans are a key feature of the National Partnership Agreement arrangements: among other purposes, they provide a framework to guide and prioritise GBMs' activities in communities covered by the National Partnership Agreement. One immediate impact of the lack of a plan or agreement in other communities was that new GBMs, and often even experienced GBMs, had an incomplete understanding of which agencies were stakeholders in the community's development, to what extent and for what purposes. Rather, this information had to be gathered over time, and the effort required to build and sustain this picture left little time to influence it during the term of their 12-month contract.

5.16 During interviews with the audit team, GBMs presented a consistent belief that they were discouraged from developing community plans to support their coordination efforts, because this would constitute advocacy or community development. However, senior managers in FaHCSIA expressed a view that community planning was a desirable activity for GBMs to undertake, but that it had remained an 'aspirational target' because GBMs were otherwise occupied with overseeing the implementation of the NTER.

5.17 In the absence of a plan developed by agencies and reflecting community priorities, GBMs' coordination activities are largely *ad hoc* and reactive. Most GBMs interviewed for the audit indicated that they tried to be more proactive in their engagement with agencies (for example, through the establishment of local working groups), and this is supported by weekly GBM reports. However, these GBMs also indicated that almost all of their time was taken by responding to demands for advice and support from agencies, NGOs and the community, and that this impaired their ability to translate local

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engagement efforts into practical improvements in whole-of-government service delivery arrangements.

5.18 The NTER Review recommended that GBMs be renamed 'Community Development Managers'. In its formal response to the NTER Review Board, the Australian Government did not accept this recommendation, and in November 2009, following the NTER redesign consultations, announced that it would instead seek to improve the quality of its engagement with communities by providing continued funding for IEOs and additional funding for translators and cultural competency training for Government staff[53]. However, it would not be inconsistent with this response for FaHCSIA and other agencies to clarify which activities would be classified as 'community development', and more specifically, how GBMs might be supported through the development of community plans. The Australian Government has agreed that such plans will be the cornerstone for improved coordination and service delivery in Remote Service Delivery sites, and GBMs in these communities play a central role in supporting their development and implementation. FaHCSIA has advised that work plans for GBMs are now to be developed for NTER / Closing the Gap communities.

Working with governments

5.19 In addition to their objective of improving engagement with communities, GBMs also need to work with staff from other government agencies to meet their second objective of improving whole-of-government coordination. GBMs undertake this role in a number of ways, engaging with government agencies both within the community and during visits to regional centres for larger meetings and conferences.

5.20 At a more formal level, government staff who visit NTER communities are required to schedule their visits through the Visiting Officer Notification (VON) system maintained by FaHCSIA. The intention of this arrangement is to minimise the burden placed on the community by frequent 'fly in, fly out' visitors, while at the same time maximising the value of agencies' limited time. GBMs are meant to provide advice to agencies about the timing of their visit (for example, requesting that they reschedule due to ceremonial or 'sorry' business); assist different areas of the same agency to better coordinate their

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[53]   Australian Government 2009, op. cit.

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visits; and organise meetings between agencies and community representatives.

5.21 This coordination role is also intended to provide agencies with advice about communities' development requirements and service delivery preferences, identify new opportunities for projects, help to connect staff from different agencies to collaborate on projects, and obtain information about agencies' plans for the community. Over time, GBMs are expected to build an in-depth understanding of the way in which communities' development needs can be aligned with available government resources, and to monitor the extent to which this alignment is given effect.

5.22 GBMs can also directly support the implementation of particular government activities. For example, GBMs played a critical role during community consultations about the redesign of the NTER. GBMs have also assisted with the preparation of community baseline profiles, and completed surveys about the implementation of the NTER and community awareness and attitudes. Some GBMs played a central role in the delivery of large programs, such as the Strategic Indigenous Housing and Infrastructure Program (SIHIP) and, more recently, the National Partnership Agreement on Remote Service Delivery.

Visiting Officer Notifications

5.23 Approximately 16 000 VONs were processed by FaHCSIA from the start of the NTER to the beginning of May 2010 . While some communities are visited more than others, overall this equates to an average of approximately 200 visits per community (and associated outstations) over the past three years. However, GBMs and senior FaHCSIA managers advise that agencies do not use the VON system consistently, and so it is likely that the actual number of official visits to communities exceeds this number. It is also important to note that Northern Territory agencies are not required to complete VONs, although many have elected to do so as a 'better practice' principle. Non-government organisations tend not to use the VON system.

5.24 GBMs indicated that government agencies tended to use the VON system if they required accommodation (known as Visiting Officers Quarters) in the community. If no accommodation was required, or if visits were for a short period (hours rather than days), GBMs observed that agency staff were more likely to plan their visit without consulting the GBM, to notify the GBM of their visit shortly before their arrival, or in the worst cases, to turn up at the community unannounced.

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5.25 The nature of agency non-compliance makes it difficult to monitor, and accordingly information about unplanned visits in weekly GBM reports is inconsistent. Some GBMs noted that it was difficult to know that an unplanned visit had occurred until after the fact, when their daily discussions with residents indicated that somebody from the government had come. GBMs interviewed for the audit presented a consistent view that arranging accommodation for visitors and dealing with unplanned or last-minute visits to the community reduced the amount of time they could dedicate to effective engagement and coordination efforts.

5.26 FaHCSIA maintains a high level of awareness about these issues and continues to develop effective strategies to increase awareness about the VON system. Most recently, FaHCSIA has developed a new e-mail interface for the VON system to go online from mid-September 2010, extensively automating the processes for filing and reporting on VONs, transmitting notices to GBMs and advising agency staff about the receipt of their notices. FaHCSIA continues to remind agencies about their responsibilities under the VON arrangements, and improving VON compliance rates is a standing agenda item for meetings of the Australian Government Indigenous Affairs Forum for the Northern Territory (AGIAFNT). FaHCSIA has advised that, as a result of these efforts, awareness of the VON arrangements and notification compliance rates are steadily improving, with the main issue for attention becoming late submissions rather than non-compliance.

NTER Review observations about engagement and coordination

5.27 The NTER Review Board's report provides a snapshot of GBM engagement with government and communities at the end of 2008. The Board highlighted three barriers to GBMs' effectiveness. First, the emergency context of the NTER 'did not allow for engagement or consultation of the kind or quality that might have resulted in communities feeling their views were valued or that they were being invited to play a constructive role in the implementation of the NTER', and meant that GBMs' engagement activities were performed in a less-than-favourable community context. Second, the Board noted that 'there was little evidence of baseline data being gathered in any formal or organised format which would permit an assessment of the impact and progress of the NTER upon communities.' As noted at the start of this chapter, it is difficult to assess the effectiveness of the GBM initiative in the absence of meaningful performance data.

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5.28 The third barrier highlighted by the Board was a reluctance by agencies to participate fully in the new local coordination arrangements. The Board noted the then Operational Commander's advice that 'one of his more challenging roles in implementing the NTER was contending with the 'silo' mentality and practices of those departments involved in the implementation of the NTER', and found:

> At the community level, GBMs were also frustrated by the lack of coordination and communication within and between agencies in delivering their services to the communities. This reflects the Board's own perception that there remains a major gap between the laudable intention of whole-of-government management and the reality of its implementation on the ground. We found that communities continue to struggle under an ever increasing demand for meetings with unfamiliar faces representing government and NGO providers seeking 'consultations' on complex and unfamiliar programs, who fly in and fly out on a daily basis and give no sense of a coordinated or planned engagement with the communities.

> There were many examples which demonstrated that, despite the commitment to the whole-of-government approach and its endorsement by the leadership in the Australian and Northern Territory Public Services, there continues to be disconnect between the intention and the practice of that approach from middle management down through to the ground level. The silo form of administration remains intact and continues to impede effective and timely responses to the needs of Aboriginal communities.[54]

Sustaining GBMs' authority

5.29 The ANAO's observations during field work in November 2009 were consistent with the NTER Review Board's findings at the end of 2008. GBMs interviewed by the ANAO indicated continuing frustration with some agencies' apparent unwillingness or inability to work under their guidance or direction or, in some cases, to simply keep GBMs informed about their activities. In their view, problematic VON compliance rates were symptomatic of a larger issue: that agency staff did not understand, recognise or value GBMs' coordination authority in communities, or the value GBMs could add to agencies' service delivery efforts through their in-depth local knowledge and community contacts.

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[54] NTER Review Board 2008, *Report of the NTER Review Board*, p.45.

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5.30 As discussed in Chapter 3—Program management, FaHCSIA worked effectively to secure departmental Secretaries' agreement about GBMs' roles, responsibilities and authority in communities. However, over time, the strength of this recognition has waned, particularly at the line manager and field officer level. This suggests that there is some structural or institutional impediment that prevents agreement or recognition at the senior executive level from translating into sustained changes in behaviour at the local level.

5.31 At the agency level, there are currently no formal processes or procedures to manage ongoing cross-agency governance for the GBM initiative, such as an interagency stakeholder management plan, communication strategy or interagency review plan. In particular, there have been no formal arrangements put in place to sustain or reinforce recognition of GBMs' authority since the initial agreement of the sub-group of the Secretaries Group on Indigenous Affairs (SGIA) in mid–2007. Accordingly, there would be merit in taking measures to reaffirm recognition of GBMs' roles, responsibilities and authority with the SGIA, which is now scheduled to meet twice per year, or with other current leadership structures such as the Executive Coordination Forum on Indigenous Affairs (ECFIA), and to support this recognition with some form of ongoing process, such as the development and monitoring of the strategic communication arrangements set out above.

5.32 At the service delivery level, public sector management research suggests that one barrier may be the absence of commonality between agency staff working in communities. A sense of shared goals or outcomes can more easily enable work across sectors, while a lack of commonality can undermine such attempts. Cross-boundary work requires agreement among stakeholders about the nature of the problems at hand and each party's respective contribution to addressing these issues.[55] There may be a lack of compatibility between agencies' existing accountability frameworks, which are structured along program- and output-specific lines, and a model like the GBM initiative which requires networked governance approaches to succeed.[56] Moving away from single agency budgets and reporting requirements to joined-up, agreement- or plan-based approaches can create new accountability challenges, but the COAG trials show that managing these challenges results in a more effective engagement and service delivery model.

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[55]   O'Flynn, J, op. cit., p.2

[56]   Australian Public Service Commission, op. cit.

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5.33   The logical approach to these arrangements would be the development of local implementation plans or service delivery agreements of the type currently used to support the National Partnership Agreement on Remote Service Delivery. Such plans would support GBMs' authority by documenting a shared understanding of communities' development requirements, provide increased accountability for agencies' service delivery arrangements, focusing on ongoing engagement and coordination activities, serving as a baseline for ongoing monitoring and evaluation, and mitigating the effects of GBM turnover. An interim approach may be to secure local agreement about which service delivery arrangements do not require, or would not benefit from, a whole-of-government approach, reducing the number of activities requiring GBM focus.

Recommendation No. 1

5.34   To improve Government Business Managers' (GBMs) capacity to improve whole-of-government coordination, the ANAO recommends that FaHCSIA take steps to reaffirm and sustain agencies' recognition of GBMs' roles, responsibilities and authority in NTER communities. To give practical effect to this recognition at the local level, the ANAO further recommends that FaHCSIA consider expanding the local implementation planning arrangements in place for priority communities under the National Partnership Agreements on Remote Service Delivery to other NTER communities.

Agency response

5.35   *Agree.*

5.36   *FaHCSIA will initiate activities with other agencies, including seeking support and endorsement from the Secretaries Group on Indigenous Affairs, to reaffirm and sustain recognition of the significant leadership role of Government Business Managers (GBMs), particularly in relation to whole of government coordination, in NTER communities in the Northern Territory.*

5.37   *FaHCSIA additionally proposes to support these activities for the GBM initiative by:*

- *developing short and long-term performance management and measurement arrangements, and*

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- *continuing to implement an improved reporting and issues management framework for GBMs that is closely aligned to the Closing the Gap agenda with a focus on FaHCSIA's whole of government leadership role in communities.*

5.38 *FaHCSIA will also consider a staged approach to implementation of local planning processes in NTER communities but recognises any decision to formally expand the Remote Service Deliver local implementation plans beyond the 29 communities is a Government policy decision.*

5.39 *In the first instance this will require the implementation of a GBM work plan for each community that clearly identifies local community priorities that are aligned to the Closing the Gap building blocks and which support the proposed reporting framework.*

5.40 *Implementation date: July 2011*

GBM reporting

5.41 GBMs are required to prepare and submit a weekly report from the field. In turn, FaHCSIA officers in Darwin and Alice Springs determine which issues raised by GBMs should be forwarded to other areas of the department, or to other agencies, for action or information. Together, these reports are the primary formal mechanism for communicating coordination and service delivery issues, GBMs' recent and planned activities, and communities' overall progress to FaHCSIA and other agencies. In turn, agencies are expected to take issues raised by GBMs into account when planning their activities in communities, improving the alignment between local service delivery arrangements and community priorities as identified through GBMs' local engagement efforts.

Weekly reports

5.42 The ANAO analysed weekly GBM reports for the 73 communities serviced by GBMs for the month of August 2009, together with their associated management reports. This analysis indicated that GBMs' weekly reports vary widely in the depth, scope and consistency of their coverage. This has important implications for FaHCSIA's capacity to track the overall progress of the NTER and advise agencies about required changes to service delivery arrangements.

5.43 In some cases, GBMs were providing timely and insightful data that could clearly inform and improve service delivery and coordination

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arrangements if acted upon appropriately. In other cases, GBMs appeared to be providing basic, rote information about the broad status of a community and placed insufficient focus on critical issues or the actions needed for their resolution. The reporting template was not supported by clear guidance about how to complete it, and the template itself was characterised by ambiguous or very general section headings. GBMs interviewed by the ANAO advised they had not received advice about what kind of information is valued by decision-makers within FaHCSIA or other agencies.

5.44   There is an opportunity for FaHCSIA to review and improve weekly reporting arrangements to provide clear and consistent guidance and feedback to GBMs, minimise administrative burden and enhance the communication of important community issues to give better effect to GBMs' local engagement efforts. FaHCSIA has advised that such a review is in progress, including revisions to the reporting template and the development of supporting guidance, and that the department has also commenced identifying 'better practice' reports that can be used to provide feedback to GBMs.

Management summaries and situation reports

5.45   GBM reports are an important source of information about the progress of the NTER. In order to process the information received from each GBM on a weekly basis, FaHCSIA analyses the GBM reports and uses this information to prepare management summaries. These summaries are forwarded to the NT Office and to FaHCSIA in Canberra, where they are used to prepare weekly and monthly situation reports or 'sit reps'. These management summaries and sit reps are distributed to senior managers within FaHCSIA and to other Australian Government and Northern Territory government agencies.

5.46   The ANAO compared all GBM weekly reports for the month of August 2009 with their corresponding management summaries. This analysis shows that there was little correlation between the 'issues for follow up' raised by GBMs in their weekly reports and the issues subsequently presented in the management summary. In approximately 35 per cent of cases analysed by the ANAO, GBMs did not raise any issues for follow up. The ANAO's analysis also found that when GBMs did raise issues for follow up in their weekly reports, these were only forwarded as reported approximately 13 per cent of the time. Table 5.1 below shows the different scenarios for forwarding issues raised by GBMs.

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Table 5.1

Scenarios for forwarding issues raised in GBM weekly reports

Issue forwarding scenarios	Percentage of all reports
No issues for follow up	35%
No issues for follow up, but issues identified for forwarding	23%
Issues for follow up, none forwarded	16%
Issues for follow up, different issues forwarded	13%
Issues for follow up forwarded as reported	13%

Source: ANAO analysis of all GBM weekly reports submitted in August 2009 and corresponding management summaries.

5.47   The processes for analysing and forwarding issues are labour-intensive and subject to short turnaround deadlines. As a result, the forwarding of issues raised by GBMs is subject to a high level of inconsistency, leading the audit to conclude that data quality limits the effectiveness of the reporting system, and so the achievement of any improvements to whole-of-government coordination. At the time of audit field work in November 2009 and March 2010, there were no systems in place to track the forwarding of issues or their subsequent handling by the responsible program area within FaHCSIA or in another agency. By the time reports were presented to the higher levels of management within FaHCSIA or at other agencies, little or none of the detail from GBMs' weekly reports was intact.

5.48   It is important to acknowledge that formal reports are not the only methods through which GBMs and FaHCSIA advise agencies about issues facing communities. GBMs continue to provide direct, personal alerts to relevant managers about urgent or rapidly evolving issues outside the weekly reporting process, as do Regional Directors. However, given that these reports represent the formal and thus accountable mechanism for raising and prioritising issues, and are the primary process for communicating issues arising from local engagement activities to agencies for action, it is important that FaHCSIA continues to improve these arrangements.

5.49   FaHCSIA managers are aware of these issues and are developing systems to forward and track issues, and recently appointed a dedicated Departmental Liaison Officer to support GBMs to resolve local issues at higher

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levels of the department and between agencies. Both Regional Directors had only been appointed in early 2010, but had quickly recognised this issue, and were in the process of developing such systems. FaHCSIA has indicated that National Office staff are currently developing a system that could be used by GBMs, and have established a working group, including peer-nominated GBMs from NTER and Remote Service Delivery communities, to give input to this systems development work.

Local priority funding

5.50 During each of the first three years of the NTER, FaHCSIA administered an allocation of funding to 'facilitate immediate community improvements in supporting the NTER'. This arrangement provided streamlined access to funds to address immediate community needs as identified by GBMs, the Indigenous Coordination Centre Network or the Northern Territory State Office.

5.51 The local priority funding arrangements set out three responsibilities for GBMs:

- identifying opportunities to use local priority funding in consultation with the community;

- developing funding proposals in consultation / collaboration with ICCs and the NT State Office (NTSO) and advising the community about unsuccessful applications; and

- providing feedback and regular reports to the ICC and NTSO on project progression and completion.

5.52 Local priority funding was available for projects that:

- provided immediate repairs to community facilities (excluding major infrastructure improvements);

- improved health and safety in the community;

- were one-off, non-recurrent projects that could be funded and completed within the current financial year;

- addressed identified priorities in consultation with the community;

- strengthened community capacity to address local needs and removed impediments to community stabilisation;

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- resulted in immediate benefit and improvement in the living environment, health, and community participation within communities; and

- built upon the cooperative relationship between the GBMs, the Australian Government, NT Government, local government and communities in addressing key intervention activities.

5.53 FaHCSIA developed guidelines for the use of local priority funding that aimed to prevent funds being used to establish or support business enterprises, longer term infrastructure projects and consultancies, including scoping studies. The guidelines also stated that funding would not be provided for projects that were the responsibility of other Australian Government, Northern Territory Government agencies or Shires. In exceptional circumstances, the State Manager or Deputy State Manager could approve local priority funding for a project that fell within another agency's area of responsibility, and which that agency was unable to fund.

5.54 Table 5.2 below provides an overview of the title and budget for this arrangement over the first three financial years of the NTER.

Table 5.2

Local priority funding arrangements and budgets by year

Year	Title of arrangement	Budget ($m)
2007–08	Flexible Funding Pool	11.6
2008–09	Community Capability Fund	11.5
2009–10	Local Priority Funding	11.3
Total local priority funding 2007–08 to 2009–10		**34.4**

Source: FaHCSIA

5.55 The first local priority projects were funded in February 2008. Two hundred and two projects with a total value of $13.8 million were funded under the Flexible Funding Pool. Project funding ranged from $50 to $813 811. Eighty per cent of projects were under $100 000. In 2008–09, 156 projects with a total value of $11.5 million were funded under the Community Capability Fund. Project funding ranged from $454 to $404 786. Seventy-eight per cent of projects were under $100,000. At mid-May 2010, $9.3 million had been spent under the Local Priority Funding arrangement from a budget of $11.3 million. The high number of projects funded in each financial year and the full expenditure of the budget for this arrangement indicates that there was strong

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underlying demand for these projects and that GBMs were successful in securing funds for their implementation.

5.56   However, an analysis by the ANAO found that funding was provided for what could be considered major infrastructure projects, and expenditure was approved for projects that were clearly the responsibility of other Australian Government or Northern Territory Government agencies or Shires. These included projects, each worth hundreds of thousands of dollars, for the complete construction of recreation facilities, youth and aged care facilities, and commercial buildings.

5.57   While the guidelines provided that the State Manager or Deputy State Manager could approve local priority funding for a project that fell within another agency's area of responsibility, and which that agency was unable to fund, this was only to be done on an 'exceptional basis'. The ANAO's analysis identified large infrastructure projects totalling $6.5 million, or more than a quarter of total local priority funding for 2007–08 and 2008–09.

5.58   Significant levels of funding were also approved for the purchase of capital equipment, such as trucks, backhoes, excavators, buses and troop carriers. Clarifying guidelines to make clear whether such purchases complied with provisions requiring projects to be 'one-off, non-recurrent projects that can be funded and completed within the current financial year' would have improved decisions about the use of local priority funds.

5.59   GBMs were only providing limited information about local priority funding projects through weekly reports.

Conclusions about program performance

5.60   GBMs face the significant challenge of supporting, advising and monitoring the efforts of a large number of Australian Government, Territory government and local government agencies, engaging with many different community stakeholders, as well as liaising with funded service providers and NGOs. They undertake this work in difficult circumstances, facing geographical and social isolation in an environment characterised by frequent demands and short deadlines. GBMs' engagement and coordination efforts would be enhanced by reaffirming and sustaining agencies' recognition of their authority in communities, and the development of local implementation plans or service delivery agreements, such as those required under the National Partnership Agreement on Remote Service Delivery.

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5.61   The GBM initiative would benefit from the development of arrangements to measure improvements to engagement and coordination arising from GBMs' activities, including an improved suite of performance indicators to monitor short-term progress and the clearer articulation of long-term evaluation approaches. The ANAO acknowledges the difficulty of determining whether whole-of-government coordination activities have been effective. However, the GBMs are a sizeable investment and an innovative approach, and future attention to developing performance measurement arrangements will assist the department to capture lessons learned to inform future reforms. Accordingly, there would be merit in investigating appropriate options.

5.62   Issues with current reporting arrangements are impeding the effective communication of issues raised by GBMs to agencies for appropriate action. In particular, there are opportunities for FaHCSIA to improve GBM reporting, agency issue forwarding and tracking arrangements. This will improve the consistency and relevance of information the GBM initiative provides to decision-makers within FaHCSIA and in other agencies, and support the translation of GBMs' local engagement efforts into improved service delivery arrangements, increasing the likelihood the GBM initiative will improve government coordination. FaHCSIA has advised that these improvements are currently under development.

5.63   Local priority funding arrangements supporting the GBM initiative resulted in the delivery of 358 new projects in communities in the first two years of the NTER. The development of improved guidance and assessment criteria would have supported better decisions about whether particular capital purchases and infrastructure works were eligible for funding.

Ian McPhee   Canberra ACT

Auditor-General   8 December 2010

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Appendix 1:   Agency response to proposed report

Australian Government
Department of Families, Housing, Community Services and Indigenous Affairs

Government Business Managers in Indigenous Communities under the Northern Territory Emergency Response

FaHCSIA Comments on Section 19 Report

FaHCSIA appreciates the opportunity to respond to the ANAO Section 19 Report for the audit of *Government Business Managers in Indigenous Communities under the Northern Territory Emergency Response*. Each of the Groups and Sections involved in the audit and the resulting recommendations contributed to this response and its summary of actions.

FaHCSIA notes the ANAO comments on the Local Priorities Fund (LPF) and suggestions for improved management of the program in the future. Funding through the LPF ceased on 30 June 2010 and, as a result, the ANAO may re-consider the need for inclusion.

1. Formal Agency Comments on Proposed Report Recommendations

FaHCSIA has considered and agreed the recommendation in the Section 19 Report for *Government Business Managers in Indigenous Communities under the Northern Territory Emergency Response*. A summary of FaHCSIA's actions to resolve the recommendation is below.

> **Recommendation 1**
> To improve Government Business Managers' (GBMs) capacity to improve government coordination, the ANAO recommends that FaHCSIA take steps to reaffirm and sustain agencies' recognition of GBMs roles, responsibilities and authority in prescribed communities. To give practical effect to this recognition at the local level, the ANAO further recommends that FaHCSIA consider expanding the local implementation planning arrangements in place for priority communities under the National Partnership Agreements on Remote Service Delivery to other prescribed communities.

FaHCSIA Response: AGREE

Summary of Actions:

FaHCSIA will initiate activities with other agencies, including seeking support and endorsement from the Secretaries Group on Indigenous Affairs, to reaffirm and sustain recognition of the significant leadership role of Government Business Managers (GBMs), particularly in relation to whole of government coordination, in NTER communities in the Northern Territory.

FaHCSIA additionally proposes to support these activities for the GBM initiative by:

o   developing short and long-term performance management and measurement arrangements, and

o   continuing to implement an improved reporting and issues management framework for GBMs that is closely aligned to the Closing the Gap agenda with a focus on FaHCSIA's whole of government leadership role in communities.

FaHCSIA also will consider a staged approach to implementation of local planning processes in NTER communities but recognises any decision to formally expand the Remote Service Delivery local implementation plans beyond the 29 communities is a Government policy decision.

In the first instance this will require the implementation of a GBM work plan for each community that clearly identifies local community priorities that are aligned to the Closing the Gap building blocks and which support the proposed reporting framework.

Implementation Date: July 2011

2. Agency Summary for Inclusion in Report and Brochure

FaHCSIA does not have any further comments on the Section 19 Report and has agreed with Recommendation No.1. FaHCSIA will continue to work with the ANAO to implement the actions and resolve the recommendation.

3. Additional commentary

Nil.

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National Security Hotline

Australian Security Intelligence Organisation

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Australian Federal Police

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Department of Education, Employment and Workplace Relations
Department of Families, Housing, Community Services and Indigenous Affairs

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