

Torres Strait Regional Authority – Service Delivery

Torres Strait Regional Authority

© Commonwealth of Australia 2013

ISSN 1036-7632

ISBN 0 642 81408 2 (Print)

ISBN 0 642 81409 0 (Online)

Except for the content in this document supplied by third parties, the Australian National Audit Office logo, the Commonwealth Coat of Arms, and any material protected by a trade mark, this document is licensed by the Australian National Audit Office for use under the terms of a Creative Commons Attribution-NonCommercial-NoDerivatives 3.0 Australia licence. To view a copy of this licence, visit

<http://creativecommons.org/licenses/by-nc-nd/3.0/au/>

You are free to copy and communicate the document in its current form for non-commercial purposes, as long as you attribute the document to the Australian National Audit Office and abide by the other licence terms. You may not alter or adapt the work in any way.

Permission to use material for which the copyright is owned by a third party must be sought from the relevant copyright owner. As far as practicable, such material will be clearly labelled.

For terms of use of the Commonwealth Coat of Arms, visit the *It's an Honour* website at <http://www.itsanhonour.gov.au/>.

Requests and inquiries concerning reproduction and rights should be addressed to:

Executive Director
Corporate Management Branch
Australian National Audit Office
19 National Circuit
BARTON ACT 2600

Or via email:

publications@anao.gov.au





Canberra ACT
11 December 2013

Dear Mr President
Dear Madam Speaker

The Australian National Audit Office has undertaken an independent performance audit in the Torres Strait Regional Authority with the authority contained in the *Auditor-General Act 1997*. I present the report of this audit to the Parliament. The report is titled *Torres Strait Regional Authority – Service Delivery*.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian McPhee', is positioned above the printed name and title.

Ian McPhee
Auditor-General

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

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, financial statement audits and assurance reviews 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.

For further information contact:

The Publications Manager
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

Phone: (02) 6203 7505

Fax: (02) 6203 7519

Email: publications@anao.gov.au

ANAO audit reports and information about the ANAO are available on our website:

<http://www.anao.gov.au>

Audit Team

Donna Hanson
Philip Rebula
Dr Andrew Pope

Contents

Abbreviations.....	7
Glossary	8
Summary and Recommendations	11
Summary	13
Introduction	13
The TSRA and its functions	14
Audit objective and criteria	18
Overall conclusion.....	18
Key findings by chapter.....	19
Summary of agency response	22
Recommendations	23
Audit Findings	25
1. Background and Context	27
Introduction	27
The TSRA and its functions	30
Government services in the region	33
Audit objective and criteria	37
Report structure	38
2. Arrangements to Support Coordination and Service Delivery	39
Introduction	39
Management arrangements to support TSRA's service delivery	39
Coordination and monitoring of services.....	41
Consultation with communities, including client satisfaction and feedback.....	49
Conclusion	51
3. Development and Implementation of Services	52
Introduction	52
Community consultation and joint planning	53
Torres Strait Development Plan 2009–2013.....	54
TSRA service delivery.....	57
Conclusion	67
4. Performance Measurement and Reporting.....	68
Introduction	68
Reporting to Parliament	69
Internal monitoring and reporting using the development plan.....	71
Broader trends and indicators for the region	74
Conclusion	79

Appendices	81
Appendix 1: Agency Response	83
Index.....	86
Series titles.....	87
Current Better Practice Guides	89

Tables

Table 3.1:	Program expenditure in 2011–12 and 2012–13	53
Table 3.2:	TSRA 2009–2013 development plan programs and associated regional goals and COAG Building Blocks	55
Table 4.1:	Examples of short and long-term KPIs—Economic Development program	72
Table 4.2:	SEIFA data comparisons within Queensland, 2006–2011	76
Table 4.3:	Non-school qualifications attained by Indigenous individuals over 15 years of age—Torres Strait region	78
Table 4.4:	Real median weekly income of Indigenous households—Torres Strait region—using 2011 as the base year	79

Figures

Figure S.1:	Torres Strait region	14
Figure 1.1:	Torres Strait region	28
Figure 1.2:	Poruma Island	30
Figure 1.3:	Services provided in the Torres Strait region	36
Figure 1.4:	Report structure	38
Figure 3.1:	TSRA service delivery methods	57
Figure 3.2:	Governance structure for the Major Infrastructure Program	63
Figure 3.3:	Water storage pond with cover on Poruma Island	65
Figure 3.4:	Desalination units on Masig Island	65
Figure 3.5:	Paved road on Poruma Island	66

Abbreviations

CDEP	Community Development Employment Projects program
COAG	Council of Australian Governments
ICC	Indigenous Coordinating Council
KPI	Key Performance Indicator
MIP	Major Infrastructure Program
NIRA	National Indigenous Reform Agreement
NPARC	Northern Peninsula Area Regional Council
PBS	Portfolio Budget Statements
PZJA	Protected Zone Joint Authority
RPWG	Regional Plan Working Group
RSD	National Partnership Agreement on Remote Service Delivery
SEIFA	Socio-Economic Indexes for Areas
TSC	Torres Shire Council
TSIRC	Torres Strait Island Regional Council

Glossary

Building Blocks	To achieve the National Indigenous Reform Agreement (NIRA) Closing the Gap targets, COAG identified areas for action known as building blocks. These are: early childhood, schooling, health, economic participation, healthy homes, safe communities and governance and leadership.
Development plan	The Torres Strait Development plan (the development plan) is formulated by the Torres Strait Regional Authority (TSRA) covering a period of approximately four years. The aim of the development plan is to improve the economic, social and cultural status of Torres Strait Islanders, and Aboriginal persons, living in the Torres Strait area. The development plan is to outline the strategies and policies that the TSRA intends to adopt in order to implement the development plan.
Integrated Service Delivery	The concept of integrated service delivery in the context of this report is based on government agencies working together to provide coordinated services to communities to achieve better outcomes for clients. Integrated service delivery can encompass activities including information sharing to joint service delivery by service providers. From the client perspective, integrated services provide clients with an easy entry point to government services to directly and efficiently address their needs.

National Indigenous Reform Agreement	The National Indigenous Reform Agreement (NIRA) is one of six national agreements. The NIRA frames the task of Closing the Gap in Indigenous disadvantage and sets out the objectives, outcomes, outputs, performance indicators and performance benchmarks agreed by COAG. There are six targets: close the life-expectancy gap within a generation; halve the gap in mortality rates for Indigenous children under five within a decade; ensure access to early childhood education for all Indigenous four-year-olds in remote communities within five years; halve the gap in reading, writing and numeracy achievements for children within a decade; halve the gap for Indigenous students in Year 12 (or equivalent) attainment rates by 2020; and halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade.
Major Infrastructure Program	The Major Infrastructure Program (MIP) is the name given to an Australian and Queensland government agreement to fund the construction of essential infrastructure in the Torres Strait Region. The TSRA is the trustee of the agreement, which commenced in 1998.
Socio-Economic Indexes for Areas	Socio-Economic Indexes for Areas (SEIFA) are compiled by the Australian Bureau of Statistics based on a number of indicators from Census data to provide a summary measure of the social and economic conditions in geographic areas across Australia.
Torres Strait Treaty	The Torres Strait Treaty was signed in December 1978 and entered into force in February 1985. It defines the border between Australia and Papua New Guinea and provides a framework for the management of the common border area.

Summary and Recommendations

Summary

Introduction

1. The Torres Strait region stretches 150 km from Cape York Peninsula in Queensland to the Australia/Papua New Guinea border. The region covers approximately 42 000 kms² and at its northernmost point is approximately 4 kms from Papua New Guinea and 74 kms from Indonesia. In 2011, there were estimated to be 6990 Torres Strait Islander and Aboriginal people in the region, equating to 78.8 per cent of the population.¹ The population is spread across 18 island communities, and two Torres Strait Islander communities of the Northern Peninsula area of Cape York (Bamaga and Seisia).²

2. The people of the Torres Strait live in an area that is remote from the rest of Australia and in communities that are physically separated from one another. Travel between the island communities is by boat or barge, light plane or helicopter, which provides additional challenges for the effective delivery of government services.³ A map of the Torres Strait Region is shown in Figure S.1.

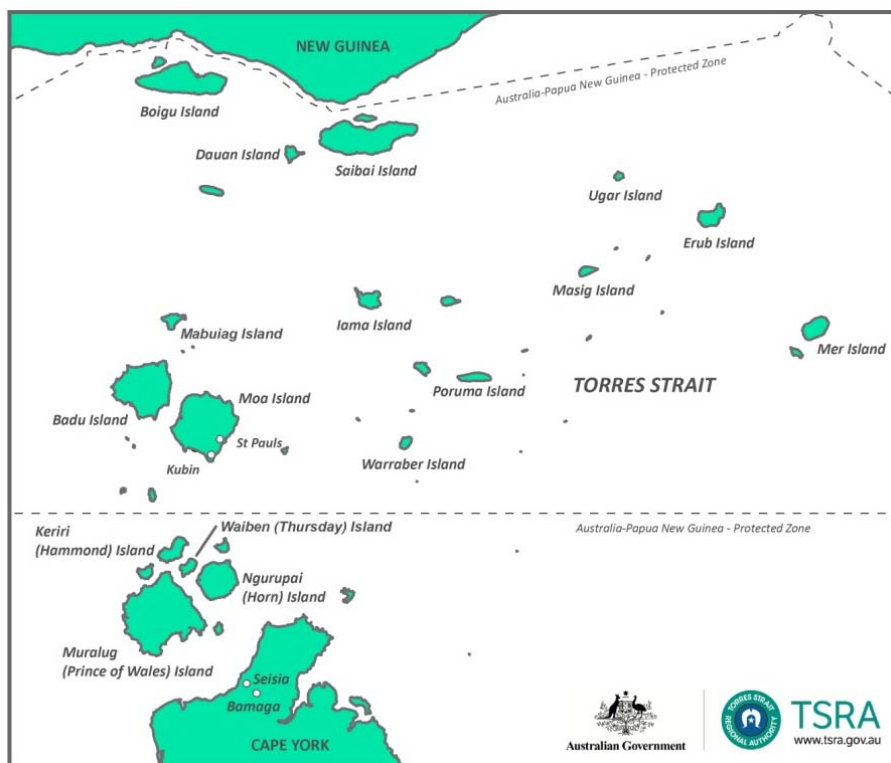
3. The Torres Strait Treaty defines the border between Australia and Papua New Guinea and establishes the Torres Strait Protected Zone. The protected zone provides for shared fishing rights and for traditional inhabitants to travel across the border without a passport. The region is also a special quarantine zone, which restricts the southward movement of plant and animal products and soil. A number of Australian government agencies are involved in the complex border arrangements to manage health and biosecurity risks, such as exotic pests and diseases being transmitted to the region and onto mainland Australia, as well as increasing demand on local services, in particular health services. More recently, asylum seekers have entered Australia through the Torres Strait region. Other Australian and state government agencies operate to deliver services to residents of the region which increases the importance of having effective arrangements in place to coordinate service delivery and obtain community perspectives on service performance.

1 Statistics based on figures for regional profiles published by the Queensland Government Statistician. Total population for the region is estimated to be 8751.

2 The communities at Seisia and Bamaga are made up of Saibai Islanders who were relocated from their island after severe flooding in the 1950s.

3 Seisia and Bamaga on Cape York are accessible by road for part of the year. Two communities, Ugar and Dauan, do not have airports which restricts the type of air travel to helicopters.

Figure S.1: Torres Strait region



Source: Torres Strait Regional Authority.⁴

The TSRA and its functions

4. A Commonwealth statutory authority, the Torres Strait Regional Authority (TSRA) was established on 1 July 1994⁵ to provide greater autonomy to the Torres Strait and to achieve a better quality of life for the people living in the region.⁶ The key functions of the TSRA are outlined in the *Aboriginal and Torres Strait Islander Act 2005* (Cth) (ATSI Act). These include to:

⁴ The map is not to scale.

⁵ The predecessor to the TSRA was the Torres Strait Regional Council, a representative council, which was part of the then Aboriginal and Torres Strait Islander Commission (ATSIC) arrangements. The TSRA was separated from ATSIC in 1994 and continued under the same legislation until the abolition of ATSIC in 2004. In 2005, the TSRA was reestablished under the *Aboriginal and Torres Strait Islander Act 2005* (Cth).

⁶ Torres Strait Regional Authority, *Annual Report to Parliament 1994–95*, TSRA, Canberra, 1995, p. 16.

- recognise and maintain the special and unique Ailan Kastom⁷ of Torres Strait Islanders living in the Torres Strait Area;
- formulate and implement programs for Torres Strait Islanders, and Aboriginal persons, living in the Torres Strait area;
- monitor the effectiveness of programs for Torres Strait Islanders, and Aboriginal persons, living in the Torres Strait area, including programs conducted by other bodies;
- develop policy proposals to meet national, state and regional needs and priorities of Torres Strait Islanders, and Aboriginal persons, living in the Torres Strait area;
- assist, advise and cooperate with Torres Strait Islander and Aboriginal communities, organisations and individuals at national, state, territory and regional levels; and
- advise the Minister on: matters relating to Torres Strait Islander affairs, and Aboriginal affairs, in the Torres Strait area, including the administration of legislation; and the coordination of the activities of other Commonwealth bodies that affect Torres Strait Islanders, or Aboriginal persons, living in the Torres Strait area.⁸

5. In 2008, the Council of Australian Governments (COAG) agreed to six national targets to address the disadvantage faced by Indigenous Australians. Known as the Closing the Gap targets, these are set out in the National Indigenous Reform Agreement (NIRA) and include: reducing the life expectancy gap within a generation; halving mortality rates between Indigenous and non-Indigenous children under five within a decade; halving the gap in reading, writing and numeracy achievement between Indigenous and non-Indigenous students within a decade; and halving the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade. In addition, a key principle of COAG's approach to implementing NIRA is collaboration between and within government at all

7 Ailan Kastom is defined in the *Aboriginal and Torres Strait Island Act 2005* (Cth) as the body of customs, traditions, observances and beliefs of some or all of the Torres Strait Islanders living in the Torres Strait area, and includes any such customs, traditions, observances and beliefs relating to particular persons, areas, objects or relationships.

8 *Aboriginal and Torres Strait Islander Act 2005* (Cth) s 142A.

levels and their agencies to effectively coordinate programs and services. The TSRA has aligned its planning approaches to reflect the broader goals of NIRA.

6. Against this background, reducing the level of disadvantage experienced in the Torres Strait is a key focus of the TSRA. As described in the 2013–14 Portfolio Budget Statements for the Families, Housing, Community Services and Indigenous Affairs portfolio, the Australian Government’s agreed outcome for the TSRA is:

Progress towards closing the gap for Torres Strait Islander and Aboriginal people living in the Torres Strait Region through development planning, coordination, sustainable resource management and preservation and promotion of Indigenous culture.⁹

7. The TSRA is also required by its enabling legislation to formulate a Torres Strait Development Plan from time to time, which is to cover a period of at least three years and not more than five years.¹⁰ The development plan covering the period 2009 to 2013 is aligned to the Closing the Gap targets and associated building blocks.¹¹ The development plan describes the following TSRA programs, which are the means to implement the plan:

- economic development;
- culture, art and heritage;
- native title;
- environmental management;
- governance and leadership;
- healthy communities; and
- safe communities.

The TSRA is currently preparing a new development plan for the period 2014-18.

9 Families, Housing, Community Services and Indigenous Affairs Portfolio, *Portfolio Budget Statements 2012–13, Budget Related Paper No. 1.7*, Canberra, 2012, p. 299.

10 The TSRA have established a four year period for its development plans to align with the period of tenure for TSRA board members.

11 To achieve the Closing the Gap targets, COAG identified seven action areas or ‘building blocks’, which are linked to the targets. The seven action areas are: early childhood, schooling, health, economic participation, healthy homes, safe communities and governance and leadership.

Legislative and administrative arrangements for the TSRA

8. The TSRA is governed by the ATSI Act¹² and has a board made up of 20 elected members. The Torres Strait Islander and Aboriginal community in the region directly elects board members for a term of four years.¹³ The TSRA's administration is headed by a Chief Executive Officer (CEO). In June 2013, the TSRA had 137 staff employed under the *Public Service Act 1999* (Cth) (PS Act), to carry out its functions.

9. As a result of administrative changes made following the 2013 Federal election, the TSRA was transferred from the Families, Housing, Community Services and Indigenous Affairs portfolio to the Prime Minister and Cabinet (PM&C) portfolio. In 2012–13, TSRA's direct appropriation from government was \$45.7 million. In 2013–14, the appropriation to the TSRA is \$49.6 million.¹⁴

Service delivery in the Torres Strait region

10. A range of Australian and state government agencies deliver the majority of services to the residents of the region. For example, the Queensland State Government is responsible for the delivery of local services, including health, housing and education and the Australian government services include income support payments, Medicare and family assistance. The TSRA seeks to liaise and coordinate with these agencies to assist in better targeting service delivery and identifying service delivery gaps. The TSRA has direct responsibility for delivering its own services such as environmental planning, administering fish licensing revenue, the Gab Titui Cultural Centre, leadership and arts development as well as the provision of home and business loans. In addition, the TSRA receives grant funding to deliver activities, such as the Indigenous ranger program funded through the Australian Government Working on Country Program.

12 The TSRA is also subject to the requirements of the *Commonwealth Companies and Authorities Act 1997*, which is to be replaced by the *Public Governance, Performance and Accountability Act 2013* on 1 July 2014.

13 Under the previous arrangements, councilors elected in the local government elections were automatically appointed to the TSRA board. Commencing in 2012, the Indigenous community directly elected board members. The elections were undertaken by the Australian Electoral Commission.

14 Families, Housing, Community Services and Indigenous Affairs Portfolio, *Portfolio Budget Statements 2012–13, Budget Related Paper No. 1.7*, Canberra, 2012, p. 297 and Families, Housing, Community Services and Indigenous Affairs Portfolio, *Portfolio Budget Statements 2013–14, Budget Related Paper No. 1.6*, Canberra, 2013 p. 285.

Audit objective and criteria

11. The objective of the audit was to assess the effectiveness of the Torres Strait Regional Authority's administration of its program and service delivery functions.

12. To form a conclusion against the objective, the ANAO's high-level criteria included assessing the TSRA's arrangements to identify service delivery needs, coordinate and deliver services as well as the arrangements to monitor and report on performance.

Overall conclusion

13. The remoteness of the Torres Strait region and the dispersed nature of its population across 20 small, mostly island-based, communities provides challenges for the effective delivery of government services. The TSRA's functions include formulating and implementing programs for the Indigenous people of the region, but as a small agency it does not deliver all the services required to meet the region's needs and other agencies have an important role to play in service delivery. To fulfil its task to improve the wellbeing of the Indigenous people of the region, effective coordination and monitoring of services delivered by other government agencies is a key aspect of the TSRA's operations. There are limitations on the extent to which the TSRA can achieve outcomes on its own and to be successful in achieving the full range of its responsibilities, the TSRA relies on the cooperation of other agencies.

14. Overall, the TSRA has effective management arrangements in place for delivering and monitoring its own programs, with the TSRA's service delivery approach aligned to identified needs and the Australian Government's broader policies to address Indigenous disadvantage. However, a structured coordination and monitoring role in relation to programs delivered by other government agencies is not yet in place. The TSRA, working with the Queensland Government, has successfully delivered some of the foundation elements of the proposed integrated service delivery framework, such as the mapping of available services and service gaps. The framework and associated action plans, including accountability and monitoring arrangements, however, have not been endorsed by the respective governments.

15. The TSRA formulated the *Torres Strait Development Plan 2009–2013* aligning it with both the regional plan (a community-based, joint planning exercise) and the Closing the Gap in Indigenous disadvantage targets

contained in the National Indigenous Reform Agreement (NIRA) . The TSRA formally consults with communities in the region. However, as a service delivery agency, the TSRA has not developed formal approaches to assess the satisfaction levels of the communities it services or formalised its client feedback and complaints process. The information gained from documenting and analysing feedback would provide useful qualitative performance information to assist in improving service delivery to the communities.

16. The TSRA provides detailed information on its activities in its annual report to Parliament. The annual report uses the same key performance indicators (KPIs) developed for the Torres Strait Development Plan and also presents data on various aspects of Indigenous disadvantage. However, the development plan KPIs are focussed on measuring the delivery of aspects of TSRA's programs, rather than achievement of outcomes. Moreover, the data presented on Indigenous disadvantage does not closely align with the NIRA targets and the absence of trend data either in the annual report or the development plan does not facilitate the assessment of progress over time. Overall, the TSRA does not have a strong measurement basis to assess the impact of its activities on reducing disadvantage in the region.

17. The ANAO has made two recommendations—one aimed at strengthening the TSRA's coordination and monitoring role in the region and the other for the TSRA to undertake client satisfaction surveys and implement a formal feedback and complaints process.

Key findings by chapter

Arrangements to Support Coordination and Service Delivery (Chapter 2)

18. In line with the Council of Australian Governments' (COAG) emphasis on better coordination for Indigenous services, the TSRA has tried various approaches to coordinate services in the Torres Strait region, including through strategic partnerships, memoranda of understanding, funding agreements and formal and informal networks. As at December 2013, arrangements to monitor services delivered by other agencies do not exist. Effective coordination arrangements between the Australian, Queensland and local governments providing services in the region would provide the basis for structured monitoring arrangements and would better enable the TSRA to fulfill this function under the Act. With this aim in mind, the TSRA has worked since 2009 to develop the Integrated Service Delivery Project (ISD).

19. The ISD framework and action plans were scheduled to be finalised and implemented in July 2010. The framework and action plan are high-level agreements designed for sign off by the Australian, Queensland and local governments. However, delays have repeatedly stalled the agreement process. In this context, the ISD was not ready at the original target date of July 2010 as it was recognised that service mapping needed to be undertaken to underpin the ISD Action Plan. Consultations with communities during the 2008 regional planning exercise formed the background to the identification of service gaps, however, further work was needed to validate the service gaps and map available services. Service mapping was subsequently finalised in 2012, with the publication of community booklets, which listed the available services and provided a progress report on service gaps. While there has been active engagement and collaboration, particularly with the three local councils and the Queensland State Government in the service mapping exercise, the ISD framework and action plans are yet to be signed.

20. The TSRA engages in community consultation on a face-to-face basis and seeks feedback from communities. However, it does not periodically seek feedback to gauge satisfaction levels. In addition, the TSRA advised that it responds to complaints and suggestions, but does not have an internal process to capture complaints information, undertake analysis of the feedback and complaints received or monitor its own responsiveness. By measuring the level of satisfaction in these periodic surveys, the TSRA could assess whether its goal of improving the wellbeing of the communities is perceived as being achieved. A formal feedback and complaints process would enable the TSRA to demonstrate that it is addressing the key elements necessary for effective service delivery by understanding what the agency does well and identify where improvements could be made. Results of client surveys and analysis of feedback and complaints also provide useful qualitative performance information to inform service delivery.

Development and Implementation of Services (Chapter 3)

21. The ATSI Act requires the TSRA to formulate a Torres Strait Development Plan. The TSRA has consistently met this requirement and has produced development plans since 1994. The TSRA has aligned the current *Torres Strait Development Plan 2009–2013* (development plan) with the *Torres Strait & Northern Peninsula Area Regional Plan—Planning for our future: 2009 to 2029* (regional plan) and also the Closing the Gap building blocks. Although the development plan demonstrates strong linkages to the regional plan and

the building blocks, and describes activities undertaken by the TSRA, it could be improved by including information on the prevailing level of disadvantage experienced in the region and the projected achievements of the TSRA to improve the wellbeing of the Indigenous residents of the region over of the life of the plan.

Performance Measurement and Reporting (Chapter 4)

22. The TSRA reviews its performance against the development plan annually in line with legislative requirements, with more regular monitoring on its activities at internal forums and to the TSRA board. However, no formal evaluation is undertaken against the cumulative achievement of the TSRA over the four-year time span of the development plan. Such evaluation work would assist the TSRA to determine whether programs have been successful in meeting their objectives and to inform development of subsequent plans.

23. The TSRA's key performance indicators (KPIs) described in the Portfolio Budget Statements (PBS) and the annual report to Parliament are a subset of the development plan KPIs. While these are generally appropriate for the TSRA's board and administration to monitor TSRA's program activity, the Outcomes and Programs Framework, which guides reporting to Parliament, has a more strategic outcome focus. Using the same KPIs provides a clear connection between the development plan, the PBS and the annual report, however, a consequence is that the TSRA's KPIs do not focus on measuring progress against closing the gap in the region, which is the TSRA's agreed outcome.

24. To provide an indication of progress toward closing the gap in the region, the TSRA included various statistical data in its 2011–12 and 2012–13 annual reports. This reporting used recent census data for the Torres Strait region from the Australian Bureau of Statistics (ABS), such as population, employment, education, income and housing data. While this data provides some reflection on aspects of Indigenous disadvantage in the region, it does not align with any of the agreed Closing the Gap targets. Sourcing alternative data where possible, and including additional narrative information, would assist in presenting a clearer picture of progress made toward closing the gap in the Torres Strait region. Moreover, the TSRA only reports the most recent data available and does not conduct trend analysis across years. Trend analysis would assist in providing an assessment of achievement over time.

Summary of agency response

25. The Torres Strait Regional Authority (TSRA) considers the audit report from the ANAO to be a balanced report. The report provides for two recommendations, and acknowledges that the TSRA has effective management arrangements in place for delivering and monitoring its own programs, with the TSRA's service delivery aligned to identified needs and the Australian Government's broader policies to address indigenous disadvantage. The report also provides the opportunity for the TSRA to strengthen its position as the leading Commonwealth Agency in the Torres Strait Region on Indigenous matters.

26. The TSRA agrees with recommendation one and will build on its existing informal arrangements with relevant service delivery agencies in the Torres Strait region and establish suitable formal arrangements.

27. The TSRA agrees with recommendation two, and will adopt the ANAO's recommendation to undertake periodic client satisfaction surveys and implement a feedback and complaints process. In addition, the TSRA will continue to engage with the Communities in the Torres Strait region to seek feedback on satisfaction levels with its services.

Recommendations

**Recommendation
No. 1****Paragraph 2.31**

To assist the coordination and monitoring of services in the absence of an integrated service delivery framework, the ANAO recommends that the TSRA establishes suitable formal arrangements with relevant service delivery agencies to share appropriate program information.

TSRA's response: Agreed.

**Recommendation
No. 2****Paragraph 2.39**

To improve its client service delivery, the ANAO recommends that the TSRA undertakes periodic client satisfaction surveys to gauge the level of satisfaction with TSRA's services, and implements a feedback and complaints process.

TSRA's response: Agreed.

Audit Findings

1. Background and Context

This chapter outlines the establishment of the Torres Strait Regional Authority and its role in delivering and coordinating services to the Torres Strait Islander and Aboriginal people resident in the Torres Strait region. The audit objective is also outlined.

Introduction

1.1 The Torres Strait region stretches 150 km from Cape York Peninsula in Queensland to the Australia/Papua New Guinea border. The region covers approximately 42 000 kms² and at its northernmost point is approximately 4 kms from Papua New Guinea and 74 kms from Indonesia. In the 2011 Census, there were estimated to be 6990 Torres Strait Islander and Aboriginal people in the region, equating to 78.8 per cent of the population.¹⁵ The population is spread across 18 island communities, and two Torres Strait Islander communities of the Northern Peninsula area of Cape York (Bamaga and Seisia).¹⁶ The island communities range in size from 50 adults in Ugar (Stephen Island), 480 in Saibai Island to 783 on Badu Island. Thursday Island, which is the administrative centre, has the highest population with 2610 residents.¹⁷

1.2 The people of the Torres Strait live in an area that is remote from the rest of Australia and in communities that are physically separated from one another. Travel between the island communities is by boat or barge, light plane or helicopter, which provides additional challenges for the effective delivery of government services.¹⁸ A map of the Torres Strait Region is shown in Figure 1.1.

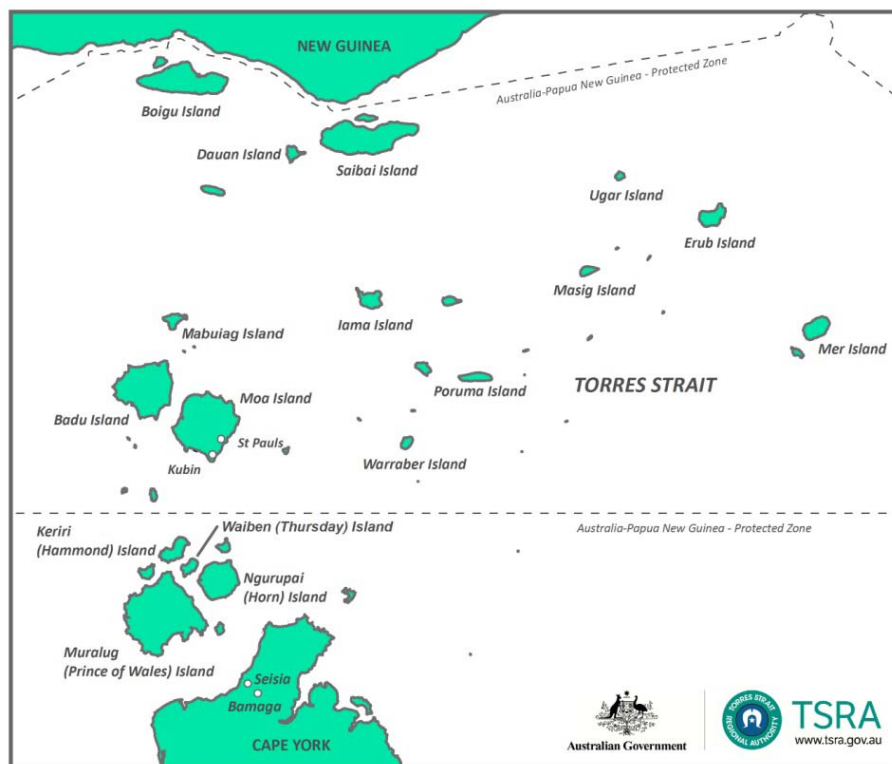
15 Statistics based on figures for regional profiles published by the Queensland Government Statistician. Total population for the region is estimated to be 8751.

16 The communities at Seisia and Bamaga are made up of Saibai Islanders who were relocated from their island after severe flooding in the 1950s.

17 Torres Strait Regional Authority, *Community Profiles*, [Internet], TSRA, Queensland, 2012, available from <<http://www.tsra.gov.au/the-torres-strait/community-profiles>> [accessed 18 June 2013].

18 Seisia and Bamaga on Cape York are accessible by road for part of the year. Two communities, Ugar and Dauan do not have airports, which restricts the type of air travel to helicopters.

Figure 1.1: Torres Strait region



Source: Torres Strait Regional Authority.

1.3 The Torres Strait Treaty defines the border between Australia and Papua New Guinea and establishes the Torres Strait Protected Zone. The protected zone provides for shared fishing rights and for traditional inhabitants to travel between the region and Papua New Guinea without a passport. The region is also a special quarantine zone which restricts the southward movement of plant and animal products and soil. A number of Australian government agencies are involved in the management of the complex border arrangements, which present health and biosecurity risks, such as exotic pests and diseases being transmitted to the region and onto mainland Australia, as well as increasing the demand on local services, in particular health services. More recently, asylum seekers have entered Australia through the Torres Strait region. Other Australian and state government agencies operate to deliver services to residents of the region which increases the importance of having effective arrangements in place to coordinate service delivery and obtain community perspectives on service performance.

1.4 As there is little large-scale private sector activity in the region, the government sector plays a large role in the local economy. A combination of geographical factors and low population size also means that the delivery of services and infrastructure to the Torres Strait region is relatively expensive. For example, construction cost indices, which compare construction costs¹⁹ in Brisbane show that construction costs in the Torres Strait are almost double.²⁰ All building materials, particularly fill, concrete, and heavy equipment have to be shipped by barge for any major construction, including houses, roads, sewerage infrastructure and sea walls. In its submission to the 2009 Parliamentary Enquiry into Community Stores in Remote Aboriginal and Torres Strait Islander Communities, the main shipping services provider stated that ‘The entire region is, without exception, totally dependent on marine transport to deliver almost all the requirements of daily life...’²¹

1.5 Shipping costs also contribute to the relatively high cost of living in the region. The Queensland Government in its submission to Senate Foreign Affairs, Defence and Trade Committee Inquiry into Matters Relating to the Torres Strait Region in 2009 stated that ‘The overall supply chain from Brisbane to the Torres Strait is around 3050 kilometres—the longest supply route undertaken by any remote retail organisation in Australia.’²² Typically food and other supplies are delivered weekly by barge from Cairns. Figure 1.2 is an aerial photo of Poruma Island, which shows an airstrip suitable for light plane traffic and also a channel cut into the coral atoll to allow the delivery of goods by barge.

19 Construction costs comprise labour and materials.

20 Allen Consulting Group, *Provision of consultancy services to support the Aged Care Financing Authority on matters referred to the Authority—Report to the Department of Health*, [Internet] October 2012. p.28. available from <http://www.health.gov.au/internet/publications/publishing.nsf/Content/ageing-aged-care-acfa-final-recommendation-accom-payments-attachment-b> [accessed July 23]

21 Sea Swift, submission to the Parliamentary Enquiry into Community Stores in Remote Aboriginal and Torres Strait Islander Communities, Submission 110, November 2009, p. 4.

22 Queensland Government Submission to the Senate Foreign Affairs, Defence and Trade Committee Inquiry into Matters Relating to the Torres Strait Region, 16 November 2009, p. 9.

Figure 1.2: Poruma Island



Source: ANAO.

The TSRA and its functions

1.6 A Commonwealth statutory authority, the Torres Strait Regional Authority (TSRA) was established on 1 July 1994²³ when it was separated from the Aboriginal and Torres Strait Islander Commission (ATSIC). Although a separate entity to ATSIC, the TSRA operated under the same legislation until the abolition of ATSIC in 2004. The TSRA continued under the new legislation, the *Aboriginal and Torres Strait Islander Act 2005* (Cth), which established the TSRA to provide greater autonomy to the Torres Strait and to achieve a better quality of life for the people living in the region.²⁴

1.7 Until September 2013, the TSRA was part of the Families, Housing, Community Services and Indigenous Affairs portfolio, with the responsible minister being the then Minister for Families, Community Services and

23 The predecessor to the TSRA was the Torres Strait Regional Council, a representative council, which was part of the then Aboriginal and Torres Strait Islander Commission arrangements.

24 Torres Strait Regional Authority, *Annual Report to Parliament 1994–95*, TSRA, Canberra, 1995, p. 16.

Indigenous Affairs (the Minister).²⁵ From 18 September 2013, TSRA moved to the Department of the Prime Minister and Cabinet (PM&C).²⁶

The functions of the TSRA

1.8 The key functions of the TSRA are outlined in the *Aboriginal and Torres Strait Islander Act 2004* (Cth) (ATSI Act). These include to:

- recognise and maintain the special and unique Ailan Kastom²⁷ of Torres Strait Islanders living in the Torres Strait Area;
- formulate and implement programs for Torres Strait Islanders, and Aboriginal persons, living in the Torres Strait area;
- monitor the effectiveness of programs for Torres Strait Islanders, and Aboriginal persons, living in the Torres Strait area, including programs conducted by other bodies;
- develop policy proposals to meet national, state and regional needs and priorities of Torres Strait Islanders, and Aboriginal persons, living in the Torres Strait area;
- assist, advise and cooperate with Torres Strait Islander and Aboriginal communities, organisations and individuals at national, state, territory and regional levels; and
- advise the Minister on: matters relating to Torres Strait Islander affairs, and Aboriginal affairs, in the Torres Strait area, including the administration of legislation; and the coordination of the activities of other Commonwealth bodies that affect Torres Strait Islanders, or Aboriginal persons, living in the Torres Strait area.²⁸

1.9 In 2008, the Council of Australian Governments (COAG) agreed to six national targets to address the disadvantage faced by Indigenous Australians. Known as the Closing the Gap targets, these are set out in the National Indigenous Reform Agreement (NIRA) and include: reducing the life expectancy

25 Also the Minister for Disability Reform. Prior to 18 September 2013, there was a separate Minister for Housing.

26 The Minister for Indigenous Affairs from 18 September 2013 is Senator the Hon. Nigel Scullion.

27 Ailan Kastom is defined in the *Aboriginal and Torres Strait Island Act 2005* (Cth) as the body of customs, traditions, observances and beliefs of some or all of the Torres Strait Islanders living in the Torres Strait area, and includes any such customs, traditions, observances and beliefs relating to particular persons, areas, objects or relationships.

28 *Aboriginal and Torres Strait Island Act 2005* (Cth) s 142A.

gap within a generation; halving mortality rates between Indigenous and non-Indigenous children under five within a decade; halving the gap in reading, writing and numeracy achievement between Indigenous and non-Indigenous students within a decade; and halving the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade. In addition, a key principle of COAG's approach to implementing the NIRA is collaboration between and within government at all levels and their agencies to effectively coordinate programs and services. The TSRA has aligned its planning approaches to reflect the broader goals of the NIRA.

1.10 Reducing the level of disadvantage experienced in the Torres Strait is accordingly a key focus of the TSRA. As described in the 2013–14 Portfolio Budget Statements for the Families, Housing, Community Services and Indigenous Affairs portfolio,²⁹ the Australian Government's agreed outcome for the TSRA is:

Progress towards closing the gap for Torres Strait Islander and Aboriginal people living in the Torres Strait Region through development planning, coordination, sustainable resource management and preservation and promotion of Indigenous culture.³⁰

1.11 Governance arrangements for Australian Government statutory authorities include responsible ministers issuing a Statement of Expectations to identify priorities for their agencies. The current TSRA Statement of Expectations includes the following priorities:

In order to successfully achieve the required outcomes for the period of this Statement of Expectations I expect that the TSRA will:

- continue to formulate and implement programs in regards to the service delivery principles detailed in Schedule C of the COAG National Partnership Agreement on Remote Service Delivery;
- continue to maximise employment, education and training benefits having regard to the COAG target for Closing the Gap in employment outcomes and education attainment;
- continue to assist and maintain close liaison with national, state, territory and regional agencies; and

29 As of 18 September 2013, responsibility for Indigenous Affairs was transferred to the Department of the Prime Minister and Cabinet (PM&C).

30 Families, Housing, Community Services and Indigenous Affairs Portfolio, *Portfolio Budget Statements 2012–13, Budget Related Paper No. 1.7*, Canberra, 2012, p. 299.

- brief me regularly on progress by the TSRA in the performance of its statutory functions and of key business issues faced by the Board:
 - this would include progress in implementing the *Torres Strait Development Plan 2009–2013* and other plans agreed with other governments including local and state governments.³¹

Legislative and administrative arrangements for the TSRA

1.12 The TSRA is governed by the ATSI Act³² and has a board made up of 20 elected members. The Torres Strait Islander and Aboriginal people living in the region directly elect board members for a term of four years.³³ The TSRA's administration is headed by a Chief Executive Officer (CEO). In June 2013, the TSRA had 137 staff employed under the *Public Service Act 1999* (Cth) (PS Act), to carry out its functions. In 2012–13, TSRA's direct appropriation from government was \$45.7 million. In 2013–14, the appropriation to the TSRA is \$49.6 million.³⁴

Government services in the region

1.13 There are a number of Australian Government agencies operating in the Torres Strait and delivering services to the people of the region. As a result of the region's proximity to Papua New Guinea and the existence of the Torres Strait Treaty, the Department of Immigration and Border Protection³⁵ monitors cross-border movements; the Department of Agriculture³⁶ manages quarantine controls for exotic pests and diseases; Defence has a presence in the area; and the Department of Foreign Affairs and Trade (DFAT) maintains a treaty liaison office in the region.

31 The 2011 Statement of Expectation from the Hon. Jenny Macklin, Minister for Families, Community Services and Indigenous Affairs.

32 The TSRA is also subject to the requirements of the *Commonwealth Companies and Authorities Act 1997*, which is to be replaced by the *Public Governance, Performance and Accountability Act 2013* on 1 July 2014.

33 Under the previous arrangements, councilors elected in the local government elections were automatically appointed to the TSRA board. Commencing in 2012, the Indigenous community directly elected board members. The elections were undertaken by the Australian Electoral Commission.

34 Families, Housing, Community Services and Indigenous Affairs Portfolio, *Portfolio Budget Statements 2012–13, Budget Related Paper No. 1.7*, Canberra, 2012, p. 297 and Families, Housing, Community Services and Indigenous Affairs Portfolio, *Portfolio Budget Statements 2013–14, Budget Related Paper No. 1.6*, Canberra, 2013 p. 285.

35 Prior to 18 September 2013, these departments were known as the Department of Immigration and Citizenship and Australian Customs and Border Protection Services.

36 Prior to 18 September 2013, this department is known as the Department of Agriculture, Fisheries and Forestry.

1.14 The Department of Human Services has a service centre and agents on selected islands delivering Centrelink and Family Assistance services. In addition, the Aboriginal Hostels Limited provides two hostels on Thursday Island, which is the administrative centre of the region. Other Australian government agencies also deliver programs in the region, such as the Remote Jobs and Communities Program.

1.15 The TSRA itself directly delivers programs in the following areas:

- the Gab Titui Culture Centre and associated arts development activities and grants;
- Working on Country ranger program;
- business and housing loans; and
- a grants program supporting social services, sport, economic development and other community-based activities, including leadership development.

1.16 The TSRA is also required by its enabling legislation to formulate a Torres Strait Development Plan from time to time, which is to cover a period of at least three years and not more than five years.³⁷ The authority also holds the commercial ‘Finfish’ and other fisheries licenses in trust for the Torres Strait Islander community, and performs separate functions under the *Native Title Act 1993* as the Native Title Representative Body for the Torres Strait region. The distribution of grants is a major activity for the TSRA, using its own funding and that from other government agencies. In 2011–12, the TSRA expended \$29 million in grants for its own programs and on behalf of other agencies, \$10 million of which was granted to the three local councils.³⁸

1.17 The Queensland State Government is responsible for the delivery of key services, including health, housing and education, some of which are funded through national partnership agreements.³⁹ The majority of funding for local services is also provided by the state government through general

37 The TSRA have established a four year period for its development plans to align with the period of tenure for TSRA board members.

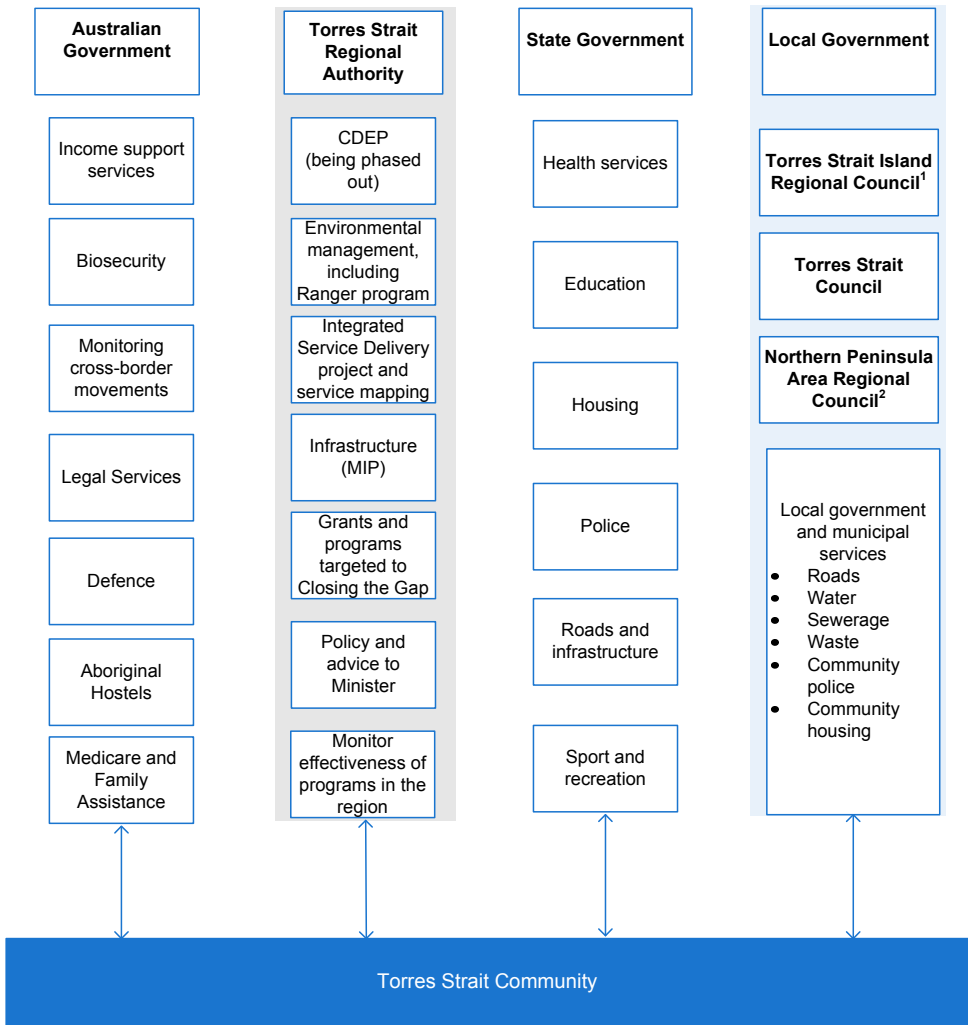
38 *ibid.*, pp. 134, 148 and 150.

39 The National Indigenous Reform Agreement includes various Indigenous health partnership agreements, such as Closing the Gap: Indigenous Early Childhood Development, Closing the Gap in Indigenous Health Outcomes, Project Agreement for the Torres Strait Islander Health Protection Strategy—Saibai Island Health Clinic and other agreements such as the National Partnership on Remote Indigenous Housing.

purpose grants and other grants and state subsidies to local governments. Under Queensland state legislation there are three local government councils operating in the region, catering for the needs of the 18 island communities and Seisia and Bamaga on the Northern Peninsula area. The councils provide municipal services, such as maintaining water supply and sewerage, maintaining roads and other community services.

1.18 In all, there are 35 government agencies operating in the region, many seeking to consult with communities and access the islands to deliver services, maintain infrastructure, carry out functions or conduct research. Service provision responsibilities within the region are illustrated in Figure 1.3.

Figure 1.3: Services provided in the Torres Strait region



Note 1: The council was formed in 2008 after the amalgamation of the Indigenous Coordinating Councils.

Note 2: The council was formed in 2008, amalgamating the communities of Seisia and Bamaga, with New Mapoon, Umagico and Injinoo.

Source: ANAO.

Audit objective and criteria

1.19 The objective of the audit was to assess the effectiveness of the Torres Strait Regional Authority's administration of its program and service delivery functions.

1.20 To conclude against the audit objective, the ANAO assessed whether the TSRA had:

- effective arrangements in place to coordinate and deliver services, particularly to address the closing the gap targets;
- targeted the delivery of its programs and services to identified needs and broader government objectives; and
- effective arrangements in place for monitoring program implementation and service delivery; understanding the impact of its programs; and reporting on performance.

Audit Methodology

1.21 The methodology included analysing key documents, including the regional and development plans, annual reports, agreements between the TSRA and agencies that provide services, minutes of meetings of the board and minutes of meetings with key service delivery partners. The audit team also interviewed relevant TSRA staff and selected stakeholders, including representatives from other government agencies as appropriate.

1.22 The audit was conducted in accordance with the ANAO Auditing Standards at a cost of \$356 802. The ANAO wishes to express its thanks (*eso*) to the TSRA for its assistance in conducting the audit.

Report structure

Figure 1.4: Report structure

Chapter 1—Background and Context

- Introduction
- The TSRA and its functions
- Government services in the region
- Audit objective and criteria
- Report structure

Chapter 2— Arrangements to Support Coordination and Service Delivery

- Introduction
- Management arrangements to support TSRA's service delivery
- Coordination and monitoring of services
- Consultation with communities
- Conclusion

Chapter 3—Development and Implementation of Services

- Introduction
- Community consultation and joint planning
- Torres Strait Development Plan 2009—2013
- TSRA service delivery
- Conclusion

Chapter 4—Performance Measurement and Reporting

- Introduction
- Reporting to Parliament
- Internal monitoring and reporting using the development plan
- Broader development trends and indicators for the region
- Conclusion

Source: ANAO.

2. Arrangements to Support Coordination and Service Delivery

This chapter discusses the Torres Strait Regional Authority's arrangements to support the coordination and delivery of programs and services.

Introduction

2.1 Multiple government agencies operate in the region as part of the provision of services to communities and broader roles in relation to border management. The TSRA's functions include formulating and implementing programs for the Torres Strait Islander and Aboriginal people resident of the region, but as a small agency it does not deliver all the services required to meet the region's needs. Accordingly, the TSRA seeks to liaise and coordinate with a range of government agencies to assist in better targeting service delivery and identifying service delivery gaps in the region. Effective consultation and engagement with communities is an essential underpinning to service delivery for Indigenous Australians as well as being a key principle of the National Indigenous Reform Agreement (NIRA).

2.2 In this context, TSRA's management arrangements need to support the effective coordination and delivery of services and engagement with communities in the Torres Strait region. The ANAO examined:

- management arrangements for the TSRA;
- coordination of services and monitoring responsibilities; and
- consultation with communities, including client satisfaction and feedback.

Management arrangements to support TSRA's service delivery

2.3 Clear roles and responsibilities are important aspects of governance which support the performance of an organisation. In relation to service delivery, accountability and oversight arrangements need to be established and working to facilitate effective delivery.

2.4 The TSRA board and the administration have clearly-defined roles and functions.⁴⁰ The board sets policy and provides oversight and it also has an important role to engage with the minister and the community. To deliver TSRA's programs, the administration exercises its delegated powers and reports regularly to the board. In June 2012, to assist the board and the administration to understand and fulfil their roles, the TSRA developed the *TSRA Charter of Representation, Performance and Accountability*, which defines the distinct roles, functions and responsibilities of the TSRA board and the administration. Particular attention has been given in the *TSRA Charter of Representation, Performance and Accountability* to addressing perceptions and risks in relation to conflict of interest.

The role of the board

2.5 The role of the board, as outlined in the TSRA Board Charter and code of conduct, includes the requirement that board members are to act in the best interests of all the communities in the Torres Strait. The board sets TSRA's strategic direction and approves the development plan that outlines the programs that the TSRA will deliver to the communities in the region.⁴¹ Annually, the board approves the budget allocated to each of the programs. An executive sub-committee comprising the Chairperson, the Deputy Chairperson, and six board members has an oversight role for specific program areas within the TSRA. A strength of the TSRA representative model is that board members are required as part of their role to consult with communities prior to each board meeting and to report back to them afterwards, thus providing a conduit for feedback to the board and administration about the services delivered by the TSRA and other agencies.

The role of the administration

2.6 TSRA's administration, delegated by the board, is responsible for the operations of the TSRA, including implementing the policies, programs, strategies and general directions of the board. The administration also has the

40 The TSRA comprises two elements: the TSRA board made up of 20 elected members—and the administration or 'statutory agency' headed by the CEO with staff employed under the *Public Service Act 1999—Aboriginal and Torres Strait Islander Act 2005* (Cth) s142R and s144F. The chief executive officer is appointed by the Minister for a period of five years, subject to approval by the board.

41 The four year cycle for the development plan is aligned with the term of the TSRA board. For example, the board elected in September 2012, is responsible for the formulation of the next plan, covering the period 2014–2018.

delegation to approve grants and loans to individuals and organisations. To support good governance, the TSRA has in place risk management practices, grant procedures and processes to document board decisions that clearly record directions from the board.⁴²

Program monitoring arrangements

2.7 The TSRA has established a Program Steering Committee (the PSC) to monitor its programs. The PSC meets quarterly, several weeks prior to TSRA board meetings as well as meeting out-of-session when required. The PSC comprises the CEO, the Chief Financial Officer (CFO) and the TSRA program managers who monitor and report performance information on each of the TSRA's programs. This forum also provides the opportunity to discuss the coordination of services and services delivered by other agencies.

2.8 A structured monitoring framework is in place to support the reporting to the PSC and subsequently to the board. Reporting included information on important aspects of TSRA's program delivery, such as budget updates, program progress and milestone reporting.

Coordination and monitoring of services

2.9 Better coordination of government services for Indigenous Australians has been recognised as a priority for governments since the early 1990s. COAG's *National Commitment to Improved Outcomes in the Delivery of Programs and Services for Aboriginal Peoples and Torres Strait Islanders* (1992) identified effective coordination in the formulation of policies, and the planning, management and provision of services to Aboriginal peoples and Torres Strait Islanders as one of its principles. Improved coordination, along with the concept of integrated service delivery, has continued to be a priority for government and underpins current national partnership agreements to implement COAG's National Indigenous Reform Agreement (NIRA). For example, COAG's revised service delivery principles for programs and services for Indigenous Australians agreed in 2008 included the integration principle—there should be collaboration between and within government at all levels and their agencies to effectively coordinate programs and services.

42 The TSRA has risk management practices at the project and program level and is in the process of completing its strategic level risk documentation.

2.10 Within this broader context, the need to better coordinate government services has been a long-standing issue for the Torres Strait region. For example, in 1997, the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs released a report, *Torres Strait Islanders: A New Deal*. The committee reported that:

The first of these vital issues was the fact that Australia's federal system did not serve the people of the Torres Strait well. While the distinct levels—Commonwealth, state and local government—provide a satisfactory means of delivering services and allowing democratic representation to most Australians, this has not been so for Torres Strait Islanders. The result for a small, contained and geographically isolated population has been inefficiency, duplication, a lack of services and a dilution of real autonomy.⁴³

Coordination activities

2.11 In the *Torres Strait Development Plan 1998–2001*, the then TSRA Chairperson expressed the priority that the TSRA placed on coordination:

Better outcomes, in respect to addressing disadvantage, will best be achieved if there is coordination and cooperation between all key stakeholders...A coordinated effort will provide real progress for the people of the Torres Strait region.⁴⁴

2.12 The TSRA has attempted various approaches to coordinate with other government departments to deliver services in the region through memoranda of understanding (MoUs) and funding agreements and also through consultation and negotiation with Australian, Queensland and local governments and communities.

2.13 Some examples of TSRA's approaches to coordinating services include, the Torres Strait Health Framework Agreement which operated between Queensland Health, the then Commonwealth Department of Health and Ageing⁴⁵, and the TSRA between 2004 and 2011. The framework aimed to improve health outcomes of residents of the Torres Strait and Northern Peninsula Area Region, particularly for Indigenous residents. Another example is the TSRA's membership on the Protected Zone Joint Authority, which

43 House of Representatives Standing Committee on Aboriginal and Torres Strait Island Affairs, Commonwealth of Australia, *Torres Strait Islanders: A New Deal*, Canberra, 1997, p. ix.

44 Torres Strait Regional Authority, *Torres Strait Development Plan 1998–2001*, Queensland, 1998, p. 5.

45 From September 2013 known as the Department of Health.

manages fisheries and other related issues in the Torres Strait. Key partnership arrangements are also maintained by the TSRA, including the Major Infrastructure Program, which is funded jointly by the Australian and Queensland governments to construct essential environmental infrastructure and the Australian Government's Working on Country ranger program.⁴⁶

2.14 In recent years, the TSRA Chairperson and CEO have regularly met with the responsible minister and provided advice on regional matters in line with the TSRA's functions. Arrangements for regular consultation with the lead agency for Indigenous Affairs (until September 2013 the Department of Families, Housing, Community Services and Indigenous Affairs) also existed and allowed for regular engagement within the portfolio.

2.15 The TSRA relies on networking and liaison efforts to maintain relationships in the region. However, to place coordination on a more systematic and structured footing, the TSRA commenced work in 2009 on an Integrated Service Delivery project in response to community concerns about the provision of government services.

Integrated Service Delivery Project

2.16 The concept of integrated service delivery is based on government agencies working together to provide coordinated services to communities in order to achieve better outcomes for clients. Integrated service delivery can encompass activities from information sharing to joint service delivery by providers. From the client perspective, integrated services provide clients with an easy entry point to government services to directly and efficiently address their needs.⁴⁷

2.17 An integrated service delivery framework was identified as a priority for the Torres Strait region and documented in the *Torres Strait & Northern Peninsula Area Regional Plan—Planning for our future: 2009 to 2029* (regional plan).⁴⁸ In 2008, the three local councils and the TSRA undertook a coordinated

46 Responsibility for this program has moved from the Department of Environment to the Department of the Prime Minister and Cabinet.

47 Government of Western Australia, Department for Communities, *Integrated Service Development: A framework for children and family services* (discussion paper), 2009.

48 The *Torres Strait & Northern Peninsula Area Regional Plan—Planning for our future 2009 to 2029* is a plan jointly conceived by the three local councils (the Torres Shire Council, the Torres Strait Island Regional Council and the Northern Peninsula Area Regional Council) and the TSRA. Substantial community consultation was undertaken to develop the regional goals.

planning exercise with the community to develop the regional plan, which was supported by the Queensland Government.⁴⁹ The communities' rationale for requiring integrated services in the region, included:

- government is complex and difficult to understand, and there is too much red tape,
- there are many different government agencies working in the region and sometimes duplication of services occurs,
- there has been a lot of change in the last few years, including Council amalgamation, and a lot of consultation,
- communities feel disengaged, and
- government funding must be used in the most effective way possible to deliver efficient outcomes for all communities.⁵⁰

2.18 The TSRA subsequently began working on the Integrated Service Delivery (ISD) Project with the Queensland Department of Aboriginal and Torres Strait Islander and Multicultural Affairs (DATSIMA), selected Australian Government agencies and local government. The ISD project aimed to provide a framework for coordinating service delivery and allow for the monitoring of all services provided by participating agencies at the local, state and national level. The TSRA intended to have the ISD Framework signed off by the Queensland and Australian governments as well as the three local governments operating in the region by July 2010. As of October 2013, this was yet to be achieved. (Discussed further in paragraphs 2.27 to 2.28.).

2.19 The ISD project has some similarities with the National Partnership Agreement on Remote Service Delivery (RSD) and uses approaches similar to the RSD's bilateral plans (between the Australian and state government) and local implementation plans (LIPs), which are the planning arrangements used to facilitate coordinated service delivery and also to commit government to actions at the local level. A further similarity was the development of baseline maps of existing service delivery to identify gaps in service delivery. Unlike the RSD model, the TSRA has not sought to identify comparator communities against which service levels could be assessed to identify gaps, rather the service gaps identified are a moderated version of community expectations of service delivery. The ISD project aims to have all agencies, including local

49 The Queensland Government was not a signatory to the plan.

50 TSRA internal document, Integrated Service Delivery Action Plan (draft), February 2013, p. 2.

government, commit to deliver the agreed services and identified actions and to also provide information to allow performance monitoring to occur.

2.20 There are three aspects of the ISD Framework that TSRA has direct responsibility for. These are:

- the ISD governance framework;
- the ISD action plan; and
- documenting service gaps.

ISD governance framework

2.21 The ISD governance framework outlines five levels of governance covering policy, strategic planning, operational planning, coordination and service delivery, including:

- policy oversight to be provided by the responsible Australian Government and Queensland Government Ministers and ultimately reporting to COAG;
- strategic planning oversight by the Chair of the TSRA, the three local mayors along with Queensland Government and Australian Government representatives, forming an ISD Board of Management;⁵¹
- operational planning through the ISD Steering Group, which is to include the TSRA CEO, regional managers from service delivery agencies and the CEOs from the three regional councils;
- support and coordination through the ISD Support and Coordination Unit within TSRA, which is to provide secretariat and other support services, including monitoring the progress against the ISD Action Plan and providing an assessment against the achievement of regional outcomes; and
- services provided through ISD projects, managed by participating agencies.

2.22 The ISD joint planning group⁵² that had carriage of the ISD framework met regularly as part of its collaborative arrangements to discuss ISD issues

51 This is also similar to the Remote Service Delivery arrangements, which include a Board of Management to oversight service delivery at the local level.

52 Core members include the TSRA and the regional representatives of the Queensland Department of Aboriginal and Torres Strait Islander and Multicultural Affairs (DATSIMA).

with the TSRA until its last meeting in June 2012.⁵³ The TSRA informed the ANAO that the ISD joint planning group maintains informal contact while the framework is being considered by respective governments during 2013.

ISD Action Plan

2.23 The draft ISD Action Plan outlines the actions and services documented by the community as a priority for the region. It also identifies the agencies responsible for implementation and an associated key performance indicator (KPI). Service delivery agencies provided input by outlining the initiatives to address the service gaps identified by communities. In June 2013, the TSRA advised that as part of the process for Queensland agencies to sign up to the ISD project, the agencies were reviewing their respective sections of the ISD Action Plan.

2.24 In addition to coordinating service delivery, the ISD is intended to facilitate monitoring arrangements by having agencies agree to provide relevant performance information to the TSRA. The draft ISD Action Plan has a range of KPIs to suit the proposed projects and monitoring activity is planned to take place every six months.

Service mapping

2.25 Following the 2008 consultations, discussed in paragraph 2.17, seven Regional Plan Working Groups (RPWGs)⁵⁴ undertook a service mapping exercise to identify gaps and duplication in existing services. The TSRA provided this information back to communities through 19 published community booklets. Included in the community booklets were any achievements made in addressing the identified gaps by 2012, when the booklets were published. The status of services was identified using a traffic light rating:

- red for not yet actioned/not commenced/may not be feasible;
- orange for funding secured/planning in progress/underway; and
- green for completed/present/established.

53 The TSRA and Queensland Government Department of Aboriginal and Torres Strait Islander and Multicultural Affairs (DATSIMA) ISD team received an Award for Outstanding Partnership and Collaboration at the Australian Government Leadership Network—Queensland Awards 2013.

54 The Regional Plan Working Groups are comprised of representatives from the TSRA, other Australian Government agencies including, the Department of Health, the Department of Education and the Australian Maritime Safety Authority and Queensland Government agencies such as the Department of Education and Training, Queensland Health and Queensland Police.

2.26 In the 2011–12 TSRA annual report, the TSRA reported that the 1619 service gaps (red status) identified by communities in 2008 had been reduced to 616. Service gaps with orange items numbered 671 and 332 were allocated a green status. The TSRA advised that the community booklets had been well received by communities as they served to demonstrate that the government is reporting back on progress.

Delays in implementation of the ISD project

2.27 The ISD framework and action plans were originally scheduled to be finalised and implemented in July 2010. The framework and action plan are high-level agreements designed for sign off by the Australian and Queensland governments. However, delays have repeatedly stalled the agreement process. For example, the ISD was not ready at the original target date of July 2010. While consultations with communities during the 2008 regional planning exercise formed the background to the community booklets, it was subsequently recognised that further work was needed to formalise the baseline and map available services. The TSRA advised that the service mapping was not originally included in the timetable, but was completed in December 2011. Actions were in train during December 2011 to hold the first Board of Management meeting and in 2011, the then Queensland Government agreed in principle to the ISD framework. Due to the 2011 Queensland state election the agreement was not signed. The current Queensland government is considering the ISD framework, with DATSIMA facilitating the TSRA's negotiations with 16 Queensland departments.

2.28 The TSRA, working with the Queensland Government, has successfully delivered some of the foundation elements of the proposed integrated service delivery framework, such as the mapping of available services and service gaps. This effort is in line with the Minister's current Statement of Expectation, which requested the TSRA 'to continue to formulate and implement programs in regards to the principles detailed in the COAG National Partnership Agreement on Remote Service Delivery [RSD].⁵⁵ With the delays in the commencement of the ISD framework, key action items are not being implemented as first envisaged. To facilitate action to address the identified gaps in service delivery in the region, the TSRA could give consideration to

55 The 2011 Statement of Expectation from the Hon. Jenny Macklin, Minister for Families, Community Services and Indigenous Affairs.

prioritising agreements with key agencies on an individual basis to maintain the momentum on coordination.

The TSRA's regional monitoring responsibilities

2.29 TSRA's enabling legislation includes a requirement 'to monitor the effectiveness of programs for Torres Strait Islanders and Aboriginal persons, living in the Torres Strait area, including programs conducted by other bodies', however, the TSRA has no explicit authority to facilitate monitoring arrangements. As a result, the TSRA relies on community feedback and periodic visits of its own staff to communities to monitor programs delivered by other agencies, but has otherwise not developed a structured approach to undertaking the role.⁵⁶ The TSRA advised that many key services such as health, education and housing are delivered by Queensland Government agencies, and this is where the TSRA had focussed its coordination and monitoring efforts through the ISD Framework negotiations.

2.30 While the monitoring of programs of other agencies can occur through informal means, a structured framework and protocols would provide a stronger basis for the TSRA to fulfil this function, including with Queensland Government bodies. The ability to access relevant program data held by other agencies is an important element of a move to a more structured approach and the proposed ISD agreement would provide an appropriate basis for this once it is signed. In the absence of a formal ISD agreement, TSRA's engagement with relevant Australian and state government agencies to share information on specific priority activities as identified in the ISD Action plan would also support the TSRA to monitor the effectiveness of programs delivered by other agencies in relation to improving the wellbeing of Torres Strait Islander and Aboriginal people in the region.

56 The TSRA's approach to monitoring its own programs is discussed in Chapter 4.

Recommendation No.1

2.31 To assist the coordination and monitoring of services in the absence of an integrated service delivery framework, the ANAO recommends that the TSRA establishes suitable formal arrangements with relevant service delivery agencies to share appropriate program information.

TSRA's response

2.32 *Agreed. The TSRA will build on existing informal arrangements with relevant service delivery agencies in the Torres Strait region and establish suitable formal arrangements.*

Consultation with communities, including client satisfaction and feedback

2.33 A key principle of the NIRA is that engagement with Indigenous communities is central to the design and delivery of programs and services. In 2008, the TSRA engaged in community consultation as part of the regional planning process which allowed the TSRA to align its development plan to the identified regional goals.⁵⁷

2.34 As part of a governance review in 2011, feedback was sought from communities on their views of the TSRA. The feedback indicated that 'in the main, communities felt that there was a lack of consultation and feedback from the TSRA (board members and administration).'⁵⁸ As a result of the governance review, the way the board was constituted was changed to allow community members to directly elect representatives to the TSRA board.

2.35 Since 2012, the TSRA board has been made up of elected community members, providing for a relationship between the TSRA and the Torres Strait communities. This relationship is supplemented by face-to-face consultation, where the Chairperson and the CEO undertake annual visits to the communities to discuss issues relevant to each community and to share information about the TSRA's activities. As noted in paragraph 2.5, the board charter also emphasises the role of the board to act in the best interest of all communities.

57 The 2008 community consultation exercise is discussed further in Chapter 3.

58 Effective Governance, *Torres Strait Regional Authority, Review of Governance*, [Internet], August 2011, p.3. Available from http://www.tsra.gov.au/data/assets/pdf_file/0003/1776/tsra20governance20review20report20final.pdf accessed 14 January 2013.

2.36 While the TSRA has engaged in community consultation on a face-to-face basis from time to time, it does not periodically seek feedback in a formal way to gauge satisfaction levels. For example, having an independent survey conducted by a third party. By measuring the level of satisfaction through periodic surveys, the TSRA can assess whether its goal of improving the wellbeing of the communities is perceived as being achieved. By asking appropriate questions it can identify areas of dissatisfaction and by keeping the questions static over time can measure changes in satisfaction allowing the TSRA to better target its programs. Incorporating the satisfaction survey results into its performance reporting would also provide a benchmark to evaluate achievement over time.

2.37 In this context, agencies have found that feedback from members of the community such as 'complaints, compliments and suggestions for improvement are the most immediate and effective forms of feedback that will assist efforts to improve...service.'⁵⁹ The Commonwealth Ombudsman's *Better Practice Guide to Complaint Handling* describes the benefits of an effective complaints handling process within an organisation including to: remedy a complaint; maintain good relations with the public and build loyalty; evaluate and improve programs; and inform decision-making about future programs.⁶⁰

2.38 The TSRA advised that it received complaints and addresses them, but there is no systematic means to assess complaints to be made. For example, there is no client feedback or complaint form on the TSRA's website.⁶¹ Furthermore, the agency does not have an internal process to capture complaints information, undertake analysis of the feedback and complaints received or monitor its own responsiveness.

59 Department of Veterans' Affairs, *Feedback Management Policy* [Internet], available from <http://www.dva.gov.au/contact_us/Pages/feedback.aspx#aim>accessed 22 October 2013.

60 Commonwealth Ombudsman, *Better Practice Guide to Complaint Handling*, Commonwealth Ombudsman, Canberra, April 2009, p.5 [Internet] available from <<http://www.ombudsman.gov.au/docs/better-practice-guides/onlineBetterPracticeGuide.pdf>> [accessed 14 June 2013]

61 There is a feedback form for the Gab Titui Cultural Centre website.

Recommendation No.2

2.39 To improve its client service delivery, the ANAO recommends that the TSRA undertakes periodic client satisfaction surveys to gauge the level of satisfaction with TSRA's services, and implements a feedback and complaints process.

TSRA's response

2.40 *Agreed. The TSRA will undertake periodic client satisfaction surveys and implement a feedback and complaints process.*

Conclusion

2.41 The TSRA's functions include formulating and implementing programs for the Torres Strait region. It does not deliver all of the services needed for the region and its functions, therefore, also include coordinating and liaising with other government agencies and monitoring the performance of other programs. The TSRA has successfully established some coordination agreements with agencies in specific areas and has also relied on developing informal relationships with other agencies to support their role. The TSRA, working with the Queensland Government, has successfully delivered some of the foundation elements of the proposed integrated service delivery framework, such as the mapping of available services and service gaps identified from community consultation. However, the framework and associated action plans, including accountability and monitoring arrangements, have not been endorsed by the respective governments. As a result, a structured coordination and monitoring framework for services delivery in the region is not yet in place.

2.42 Consultation and engagement with communities is an important part of effective service delivery. Following feedback and reviews, the TSRA has given greater priority to this aspect of its operation. However, the agency has not formalised approaches to gauge satisfaction levels or formalised its client feedback and complaints process.

3. Development and Implementation of Services

This chapter discusses the Torres Strait Regional Authority's community consultation and joint planning for services, development of the Torres Strait Development Plan and arrangements in place to deliver TSRA programs.

Introduction

3.1 The TSRA is required by its enabling legislation to formulate a Torres Strait Development Plan from time to time, which is to cover a period of at least three years and not more than five years.⁶² The current development plan describes the following TSRA's programs through which a range of services are delivered to implement the plan:

- economic development;
- culture, art and heritage;
- native title;
- environmental management;
- governance and leadership;
- healthy communities; and
- safe communities.

3.2 The breakdown of expenditure across the TSRA's programs in 2011-12 and 2012-13 is shown in Table 3.1.

62 The TSRA have established a four year period for its development plans to align with the period of tenure for TSRA board members.

Table 3.1: Program expenditure in 2011–12 and 2012–13

Program	2011–12	2012–13
	Actual Expenditure \$'000	Actual Expenditure \$'000
Culture, Art and Heritage	3164	3847
Economic Development	21 187	10 170
Environmental Management	5018	3938
Governance and Leadership	4321	5860
Native Title	1967	2627
Healthy Communities	3959	6807
Safe Communities	2820	4277
Total	42 436	37 536

Note: The difference in program expenditure is due to the phasing out of the CDEP program, which is being replaced by the Remote Jobs and Communities Program from 1 July 2013.

Source: TSRA.

3.3 As noted in paragraph 2.33, under COAG's National Indigenous Reform Agreement (NIRA), engagement with Indigenous people is central to the design and delivery of services and programs. A major emphasis of this approach is working in partnership with Indigenous people and communities and building on their ideas, strengths and leadership.⁶³

3.4 The TSRA uses the following strategies to develop and implement services:

- community consultation and joint planning;
- the Torres Strait Development Plan 2009–2013; and
- service delivery approach.

Community consultation and joint planning

3.5 During 2008, the TSRA was a key participant in a joint regional planning exercise with the three local councils—The Torres Strait Shire Council (TSC), the Torres Strait Island Council (TSIRC) and the Northern Peninsula Area Regional Council (NPARC), which involved extensive community consultation to

63 Department of Family, Housing, Community Services and Indigenous Affairs website. [Internet] <<http://www.fahcsia.gov.au/our-responsibilities/indigenous-australians/programs-services/closing-the-gap>> accessed on 3 September 2013.

identify key focus areas for the region for the next 20 years. Published in 2009, the resulting *Torres Strait & Northern Peninsula Area Regional Plan—Planning for our future: 2009 to 2029* (regional plan) outlines the vision and goals of the regions' communities. The regional plan also aligns its goal and strategies to the NIRA closing the gap targets and associated building blocks.⁶⁴

3.6 The TSRA used the feedback from these consultations to document the service gaps identified by the communities (discussed in paragraphs 2.25 and 2.26). These formed the basis of the service mapping exercise undertaken over the next two years, which is one of the foundation elements of the Integrated Service Delivery Project envisaged as part of the regional plan. As part of the Regional Plan Working Groups, the TSRA and other government representatives, validated the service gaps and identified the services that were being provided to communities. Further consultation was undertaken with communities to confirm that services were actually being provided. In this context, the regional planning exercise assisted the TSRA to align the Torres Strait Development Plan to regional goals and further extend its consultation arrangements. The results of the service mapping exercise were published in community booklets.

Torres Strait Development Plan 2009–2013

3.7 From participating in this long-term planning process, the TSRA then went on to formulate the *Torres Strait Development Plan 2009–2013* (development plan) using its involvement in the regional planning exercise to anchor its programs to community aspirations as well as the COAG Closing the Gap building blocks. The TSRA is required under the ATSI Act to formulate a development plan every three to five years and has fulfilled this requirement since it was established in 1994. The current development plan outlines the TSRA's seven programs which include the strategies and initiatives to implement the plan over the four-year period.

3.8 To align its programs and services the needs identified in the 2008 consultations, the TSRA incorporated nine of the 11 regional goals into the development plan and used these as a basis for its own programs. In addition, to provide linkage to broader government policies, the TSRA aligned the

⁶⁴ To achieve the NIRA closing the gap targets, COAG identified seven action areas or 'building blocks', which are linked to the targets. The seven action areas are: early childhood, schooling, health, economic participation, healthy homes, safe communities and governance and leadership.

development plan with some of the key areas for action identified in the NIRA, known as building blocks.⁶⁵ The TSRA programs and the related regional goals for 2009–2013 are shown in Table 3.2.

Table 3.2: TSRA 2009–2013 development plan programs and associated regional goals and COAG Building Blocks

TSRA Program	Regional Goal	COAG Building Blocks
Culture, Art and Heritage	<ul style="list-style-type: none"> Protect, promote, revitalise and maintain Torres Strait Islander and Aboriginal traditions and cultural heritage 	N/A
Economic Development	<ul style="list-style-type: none"> Enhance our region's wealth by creating sustainable industries and increasing employment opportunities for our people equivalent to the wider Australian community 	Economic Participation
Environmental Management	<ul style="list-style-type: none"> Our natural and cultural environment is an asset that is protected, preserved and enjoyed through sustainable management 	N/A
Governance and Leadership	<ul style="list-style-type: none"> Effective and transparent self-government with strong leadership 	Governance and Leadership
Healthy Communities	<ul style="list-style-type: none"> To achieve the provision of adequate, appropriate and affordable housing (housing) enhance both healthy communities and our living environment (health) 	Healthy Homes
Native Title	<ul style="list-style-type: none"> Protect, maintain and progress Native Title Rights and recognition over the region's land and sea country 	N/A
Safe Communities	<ul style="list-style-type: none"> Safe, healthy, respectful and progressive communities, based on cultural and traditional Aboriginal and Ailan Kastoms (communities) Strong families and safe and healthy communities that are guided by cultural and traditional Lore (social services) 	Safe Communities

Source: ANAO from Torres Strait Regional Authority information.

3.9 While the development plan demonstrates strong linkages to the regional plan, which documents the communities' identified goals and the COAG building blocks, it would be improved by the inclusion of information on the prevailing level of disadvantage experienced in the region, such as the

⁶⁵ The TSRA does not have programs relating to education and early childhood. However, it does provide some grant funding, scholarships and other activities relating to schools and child care.

rate of unemployment, level of educational attainment and life expectancy. For example, identifying the base line position at the commencement of the plan would allow the TSRA's goals to be assessed in the context of the region's relative level of disadvantage. Using each programs' performance indicators, the TSRA reviews its performance against the development plan at least annually in line with legislative requirements. However, no formal evaluation is undertaken against the cumulative achievement of the TSRA over the four-year time span of the development plan to determine whether programs have been successful and to inform development of subsequent plans.

3.10 The TSRA implements a range of initiatives under each program of the development plan. For example, the economic development program includes employment, training and business development initiatives while the health and safe communities programs fund community services, market gardens and health promotion. While communities have established a range of goals, not all of them can be delivered by the TSRA. Some key services such as education and health are delivered by the state government, whereas other gaps in the TSRA's ability to meet identified needs relate to the TSRA's mandate.

Constraints in implementing on the development plan goals

3.11 One of the key aims of the TSRA's Economic Development program is to 'stimulate economic development across the region.'⁶⁶ However, the TSRA is limited in its capacity to do this through direct investment as the ATSI Act does not provide express powers for TSRA to undertake commercial activities. For example, TSRA does not have the power to enter into joint ventures or incorporate a business, whereas other bodies created under the ATSI Act, such as the Indigenous Land Corporation (ILC) and Indigenous Business Australia (IBA) have specific powers to undertake commercial activities.

3.12 The ILC and the IBA have not traditionally operated in the Torres Strait region. The ILC advised that it invests in land and that there is limited freehold land available for investment in the Torres Strait. However, the ILC's training opportunities and advisory services are available to the TSRA and clients. The IBA has not run programs in the Torres Strait for a number of years, but is currently working with the TSRA to provide business development expertise on a fee-for-service basis and providing secondment opportunities for TSRA staff. While the TSRA is not able to undertake commercial activities, the TSRA has an

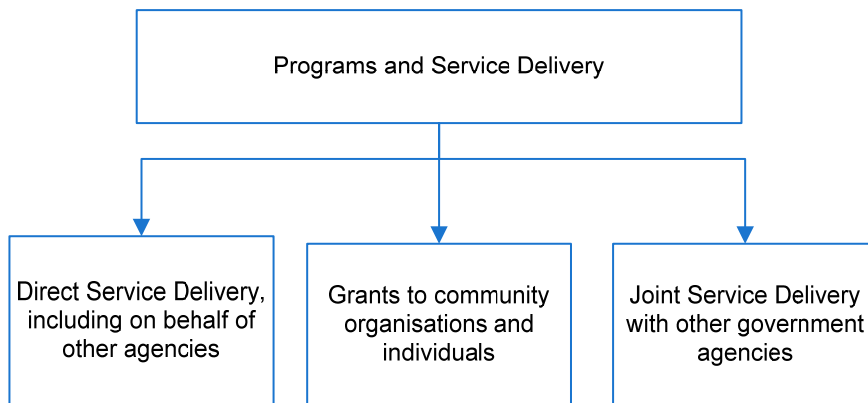
66 Torres Strait Regional Authority, *Torres Strait Development Plan: 2009–2013*, Queensland, 2009, p. 10.

economic development program which offers business loans and business mentoring along with economic incentive grants. (Discussed in paragraph 3.16)

TSRA service delivery

3.13 Over time, the TSRA has developed several strategies to implement programs which gives it a flexible and adaptable approach to delivering services. Figure 3.1 illustrates three ways the TSRA uses to deliver its programs and services to the Torres Strait region.

Figure 3.1: TSRA service delivery methods



Source: ANAO.

Direct Service Delivery

3.14 Direct service delivery involves the TSRA delivering a program or service with its in-house resources and or is funded to do so by another agency under a funding agreement. Examples of both of these arrangements are discussed in the following section.

Gab Titui Cultural Centre

3.15 The Gab Titui Cultural Centre (GTCC) on Thursday Island was established by the TSRA in 2004 as a focus for the culture of the region to meet its legislative function ‘to recognise and maintain the special and unique Ailan Kastom of Torres Strait Islanders living in the Torres Strait area.’⁶⁷ The GTCC employs 14 people and supports artists in the communities. Indigenous artists are also able to sell their works in the gallery shop. Directly funded by the

⁶⁷ *Aboriginal and Torres Strait Islander Act 2005* (Cth), sub s142A (1) (a).

TSRA⁶⁸, the GTCC provides a number of services to Torres Strait communities including: presenting exhibitions in its gallery; preserving and maintaining local Indigenous art; managing cultural events and hosting annual art awards.⁶⁹ The operation of the centre is designed to contribute to several TSRA programs including, cultural, art and heritage and safe communities.

Business and housing loans

3.16 The TSRA also provides home and business loans to eligible residents of the Torres Strait region. For example as part of the Economic Development program the TSRA assesses applications for business loans and organises associated mentoring and training to support successful loan applicants. The TSRA is also working with the IBA to enhance its business support services and to develop further expertise in key areas. Total business loans granted in 2012–13 amount to \$612,000.⁷⁰ The TSRA advised that the portfolio of loans as at 30 June 2013 consists of 17 active business loans with a total balance of \$1,348,203.

3.17 The TSRA provides housing loans to eligible residents of the region and maintains a separate housing loan account as required by the ATSI Act. To help housing affordability in the region, the TSRA in 2011 agreed to jointly-fund, with the Torres Shire Council, the development of an affordable housing scheme on Horn Island providing for up to 30 housing sub-plots. The TSRA advised that it has committed an extra \$3.8 million to its housing loan fund in anticipation of an increase in the demand for housing loans in the coming years as a result of the affordable housing scheme.

Ranger program

3.18 The TSRA manages the local implementation of the Indigenous rangers' element of the Australian Government's Working on Country program.⁷¹ The TSRA received grant funding to implement the program and is to receive

68 The Gab Titui Cultural Centre (GTCC) contributes to the maintenance, revitalisation and preservation of Torres Strait culture and the development and promotion of local Indigenous art. In 2012–13, the GTCC's operating budget was \$4.3 million.

69 TSRA funded prizes totaling \$10,000 in 2011–12. The National Museum of Australia also funded an award for \$500.

70 The Fisheries program was managed by the Economic Development program but has recently been established as an individual program with a dedicated manager. The TSRA board identified that the fisheries industries have the potential to provide greater economic opportunities for the Torres Strait Islander and Aboriginal people in the region

71 The Working on Country program is an Australian Government initiative recognising that protecting and conserving the environment is a shared responsibility and to provide sustainable employment for Indigenous people. From September 2013, the Working on Country program is administered by the Department of the Prime Minister and Cabinet.

further funding for ongoing management. As at 30 June 2013, there were 38 rangers employed by the TSRA across 13 islands to undertake environmental management activities.⁷² Key Australian Government stakeholders commented that management of the program was strong.

Case Study

Ranger Program — Mura Badulgau ranger base on Badu Island, Torres Strait

The Badu ranger team currently consists of four rangers and a ranger supervisor. The rangers are provided with training to undertake both land and sea based natural resource management and monitoring activities. Training courses include: using chemicals; advanced first aid and CPR; advanced four-wheel driving; small motor maintenance; using heavy machinery; indigenous leadership; and occupational health and safety.

During 2012–13 the Badu ranger team worked on the following land-based management activities: ecological burning and fire management; feral animal (pig) control; crocodile management; education and awareness sessions with community and hunters on approved hunting activities and with schools; weed eradication and mangrove monitoring; and cultural site and beach cleanup.

The Badu Ranger team also has its own vessel for sea-based activities including:

- coral monitoring;
- monitoring of tides and island erosion;
- monitoring growth of intertidal and sub tidal seagrass;
- collecting ghost nets and analysing their origins; and
- monitoring the turtle and dugong population through electronic tagging.

72 The TSRA does not manage the ranger program for Seisia and Bamaga in the Northern Peninsula Area.

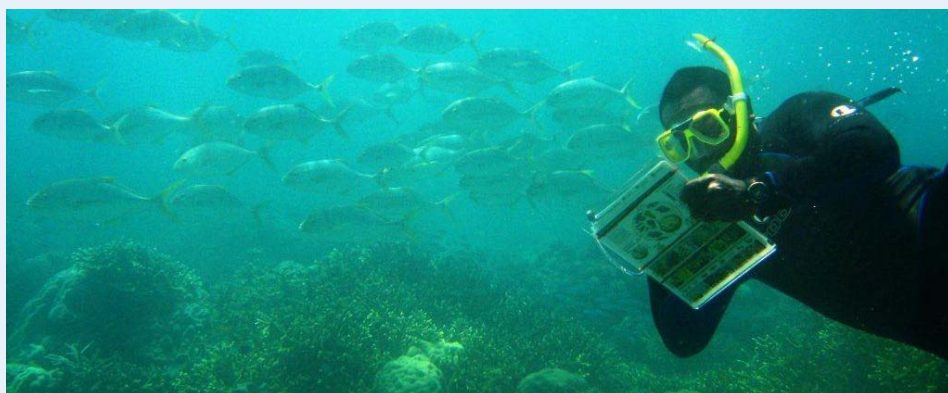
Case Study
Ranger Program — Mura Badulgau ranger base on Badu Island, Torres Strait



Badu rangers conducting sea-based activities on the 'Urpi Urui' vessel (Photo: TSRA)



Example of a ghost net retrieved near Badu (Photo: ANAO)



Monitoring the health of the reef in the Torres Strait region (Photo: TSRA)

Grant funding to community organisations and individuals

3.19 To deliver some of its services in the region, the TSRA provides grants to community organisations and to individuals. In 2011–12, the TSRA reported

that it had provided \$29 million (\$16.9 million in 2012–13) in grant funding. Approximately half of the funds (\$15.1 million) was provided for the Community Development and Employment Program (CDEP). Following reforms in the government approach to remote employment creation, the TSRA's funding of CDEP was reduced and employment services will be provided from 1 July 2013 under the Remote Jobs and Communities Program (RJCP) using contracted service providers. The TSRA is not a current RJCP provider. TSRA's remaining grant funding can be categorised in two ways—relatively larger recurrent funding provided for key community services such as sport and recreation, after school care and Indigenous broadcasting, and smaller grants to individuals, businesses and community organisations. In total some \$1.26 million was provided for 58 grants in 2011–12 (\$959 000 for 46 grants in 2012–13). The smaller grants range from funding an art/craft workshop, refurbishing a freezer for a fishing enterprise, funding Mabo Day celebrations and other community events.

3.20 TSRA's grants are advertised on its website, in the local press and on local radio. Five programs have specific applications forms and program guidelines outlining the assessment criteria and are available from the TSRA's website.

Internal grant application and selection process

3.21 The TSRA's processes for grant management include use of standard application form for each program providing grants,⁷³ initial assessment against the program criteria by the responsible program manager and a separate risk assessment by a Risk Assessment Panel. Each application is assigned a risk rating of low, moderate, high or extreme, according to TSRA's risk matrix. There is some variation in the criteria for different programs, but in general when assessing applications the TSRA considers the alignment of the grant proposal to the program outcomes, the activities to be undertaken and the capacity of the applicant to undertake the activities.

3.22 Eligible grants for all programs are assessed by the TSRA's Grant Assessment Panel, comprising all of the program managers. The Grant Assessment Panel compares the expected outcomes of individual applications that have met the criteria. Where the applicant's proposed activity meets more than one program objective, the Grant Assessment Panel may recommend joint

73 The Native Title and Environmental Management Programs do not usually provide grants.

funding. For example, an application under the Culture, Arts and Heritage Program may also contribute to the objectives of the Economic Development program and could be jointly funded by two of the TSRA's programs. The Chief Executive Officer then exercises the delegation to approve, partly approve or not approve each grant.

3.23 The ANAO examined the grant documentation from the two rounds in 2012 covering 96 applications. The grants examined as part of the audit had been assessed by the TSRA within the TSRA's guidelines.

Monitoring of grants

3.24 The TSRA grant procedures manual also provides guidance on general monitoring of grants for program managers, including different approaches depending on the type of grant and its risk rating. Monitoring includes reporting against key performance indicators by the grantee, acquittal arrangements, visits and other methods. As risk assessment is a key element of the grant assessment process, grants that remain high risk after risk treatments are applied, are monitored quarterly by the Program Steering Committee (PSC). Periodically, the TSRA also performs audits of key funded organisations to examine the effectiveness of the administration and delivery of services. These reviews may be prompted by concerns about the organisation or due to a regular review process to assess effectiveness. The TSRA has little direct involvement with management committees of its key-funded organisations and there is room for the TSRA to more effectively engage, such as an occasional attendance at board meetings to provide advice and obtain a closer understanding of issues affecting these community-based organisations. Given the TSRA's location, it is well placed to more systematically monitor and report on performance.

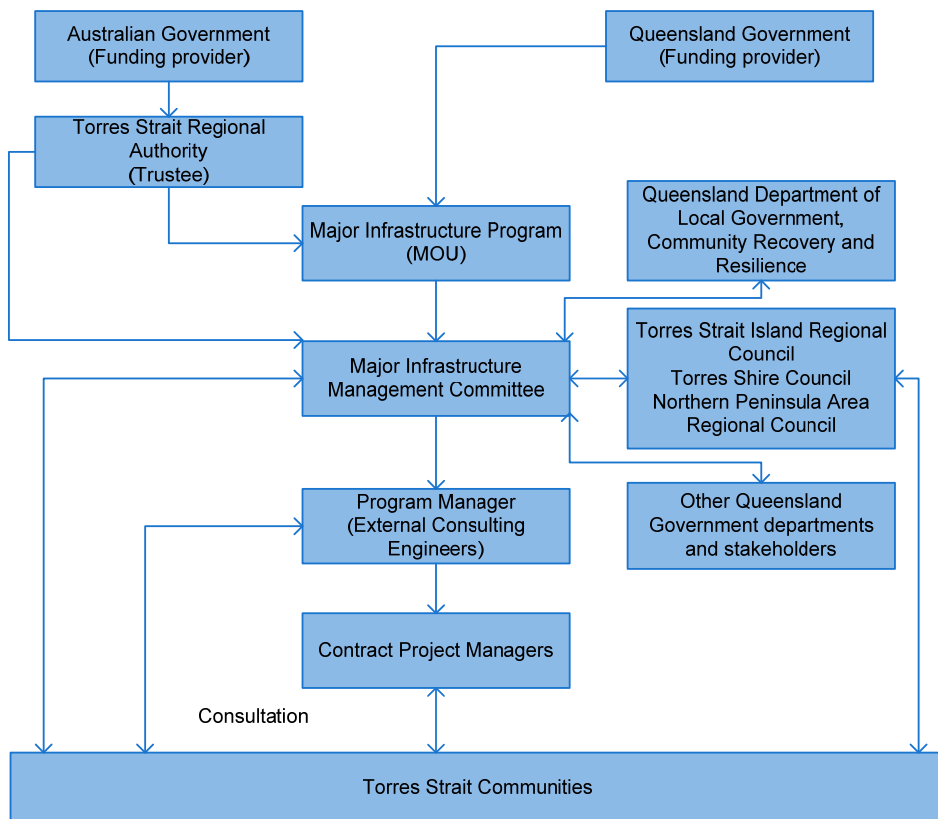
Joint service delivery

3.25 Joint service delivery involves one or more agencies joining to implement a program or provide a service. The Major Infrastructure Program (MIP) is a major example of joint service delivery. Commencing in 1998, MIP was funded by the Australian and Queensland governments to provide necessary infrastructure to the Torres Strait region in stages lasting 2-5 years. The objective of the MIP is to improve the health of Torres Strait Islander and Aboriginal people living in the Torres Strait by providing appropriate and sustainable environmental health infrastructure. A trust fund with the TSRA as trustee was established to manage the MIP funding. The TSRA is supported by

a contracted Trust Fund Manager. By 2013, \$212 million had been committed to the MIP, with \$37.5 million remaining in the trust fund at 30 June 2013.

3.26 MIP operates through a memorandum of understanding (MoU) between the TSRA (on behalf of the Australian Government) and the Queensland Government. A separate MoU is agreed for each stage of the MIP. Stage five MoU negotiations are currently underway. Each MoU sets out the principles of the agreement, the structure of how the arrangements will work and the duties of the trustee. The MIP involves the Australian, Queensland and local governments, an independent Trust Fund Manager and an external program manager. The management committee includes invited stakeholders such as representatives of other Queensland departments who have an interest in the works in progress. The governance arrangements for the MIP are shown in the Figure 3.2.

Figure 3.2: Governance structure for the Major Infrastructure Program



Source: ANAO from Torres Strait Regional Authority information.

3.27 Projects to be delivered as part of each stage of the MIP are identified as part of an assessment of relative priority. After the assessment is completed, which ranks the proposed projects according to identified criteria, the TSRA board approves the list of MIP projects. A contracted external program manager is responsible for commissioning the design of the works, obtaining quotes and managing the overall implementation of the projects.

3.28 As part of the MIP governance arrangements, the program is required to be periodically reviewed. Three external reviews in 2001, 2006 and 2010 have commented on the success of the program, including that the MIP's outputs achieved have had a positive effect on improving environmental health infrastructure. For example, in the early days of MIP, all pan toilets were replaced with flushing toilets. In 2006, the review found that the MIP was an efficient and effective program that has continued to increase environment health infrastructure. In 2010, the review commented that the MIP had delivered adequate water supplies, water treatment and augmentation and reticulated sewerage and treatment. The review also commented that projects had been delivered essentially on time and budget. In 2006, the TSRA also conducted its own review of the MIP, stating that 'with recent upgrades in reservoirs and water treatment plants the region's water quality has drastically improved.'⁷⁴

3.29 Projects funded by MIP include the Poruma Island water storage pond and the cover, which is used to reduce evaporation and improve the catchment of rain water (shown in Figure 3.3). Water on some islands is supplemented by desalination units, such as Masig Island, as shown in Figure 3.4.

74 Torres Strait Regional Authority, *The Major Infrastructure Program*, Thursday Island, 2006, p. 6.

Figure 3.3: Water storage pond with cover on Poruma Island



Source: ANAO.

Figure 3.4: Desalination units on Masig Island



Source: TSRA.

3.30 Other infrastructure includes road paving in some communities to reduce dust (as shown in Figure 3.5) and the upgrading of airports to improve safety.

Figure 3.5: Paved road on Poruma Island



Source: ANAO.

3.31 As part of the MIP's sustainability program, septic systems, which replaced pan toilets, are being upgraded to reticulated sewerage systems. This is to minimise the impact of storm surges that have caused raw sewerage to flow into the communities during inundation. Other infrastructure provided under MIP includes the construction of 'dolphins' that allow barge vessels delivering food and other supplies to dock close to the island and minimise damage to the fragile coastline.⁷⁵

Asset management

3.32 Once an asset is created through the MIP, it is usually transferred to the sponsoring local council. As the TSRA is the MIP trustee, it cannot own the asset. However, asset plans are not developed for these assets when they are created and transferred. Good asset management practices include the development of management plans so that the useful life of the asset can be optimised. Adequate funding to maintain the assets is also important. Asset planning at creation and transfer is not part of the MIP process and local councils are required to undertake the maintenance of these assets when ownership transferred.

⁷⁵ Erosion is one of the major concerns to the Torres Strait Island communities.

3.33 TSRA advised that funding for asset management is not included in the transfer arrangements. However, projects in stage 4 of the MIP included sustainability projects that are asset replacement-type works. Local councils have requested MIP funding for asset management planning as part of the bidding for priority works in the MIP planning process.

3.34 Since 2008, the Queensland Government has required local councils to have asset management plans for 'depreciating assets of significant value'. To lessen the burden on local councils, consideration could be given to preparing asset management plans at the time of creation and transfer so that all parties understand the requirements to maintain the asset and the relative costs involved. These would also assist councils to include the new acquisition in its existing asset management arrangements.

Conclusion

3.35 The TSRA's overall planning approach provides a generally appropriate linkage between identified community needs and broader Australian Government policies for Aboriginal and Torres Strait Islander people. The development plan could be improved by including greater context describing the prevailing level of disadvantage in the region, which would assist in assessing achievement made over time.

3.36 Initiatives to implement the TSRA's plan, either directly or through grant funding, operate appropriately, with the TSRA having established an approach to funding activities in the region to meet program objectives. However, monitoring arrangements for key community and art-based services could be enhanced by closer interaction, particularly with the boards of community organisations. The TSRA's implementation of the ranger program as part of the Australian Government's Working on Country program, has established 38 full-time jobs across 13 islands and key stakeholders commented that the TSRA's management of the program was strong. The TSRA's mix of service delivery approaches provides it with appropriate strategies to deliver services in the region.

4. Performance Measurement and Reporting

This chapter discusses the TSRA's performance measurement and reporting arrangements to Parliament, including an analysis of key performance indicators for the Portfolio Budget Statements. Also discussed is TSRA's internal monitoring and reporting against the Torres Strait Development Plan.

Introduction

4.1 Annual reports tabled in Parliament are a key mechanism to enable an Australian Government agency to account for the efficiency, effectiveness and economy with which it manages the resources it administers.⁷⁶ Performance reporting is improved by 'ensuring strong links [exist] between internal and external reporting.'⁷⁷ The annual report to the Parliament is the TSRA's principal means of external reporting and the preparation of this report draws on existing internal reporting arrangements..

4.2 Since 2008, the Australian Government has used the Outcomes and Programs framework for performance measurement which requires the specification of a program outcome, objective, resourcing, deliverables and key performance indicators (KPIs). This information is published in the Portfolio Budget Statements (PBS) as part of the Budget process. Performance is then reported in the agency's annual report to Parliament. Guidance issued by the Department of the Prime Minister and Cabinet (PM&C) explains the link between the Portfolio Budget Statements and the annual report to Parliament:

The 'clear read' between PB Statements and annual reports is an essential part of the accountability system that compares budgeted targets and figures to those actually achieved, and places a strong emphasis on compatibility between the two documents regarding budget and performance information.⁷⁸

4.3 Department of Finance (Finance) guidance states that the objective of external performance reporting 'is to provide information that is capable of

⁷⁶ ANAO, *Better Practice Guide—Better Practice in Annual Reporting*, Canberra, April 2004, p.v.

⁷⁷ *Ibid.*, p. 4.

⁷⁸ Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, PM&C, Canberra, June 2013, p. 3.

telling an accurate but succinct performance story about what has happened as a result of government actions.’⁷⁹

4.4 In examining the TSRA’s performance monitoring and reporting framework, the ANAO considered:

- TSRA’s reporting to Parliament;
- TSRA’s internal monitoring and reporting against the development plan; and
- broader trends and indicators of progress in the region.

Reporting to Parliament

Performance information outlined in the Portfolio Budget Statements

4.5 The TSRA has one program outcome (Program 1.1), which is outlined in the 2013–14 Portfolio Budget Statements:

Progress towards closing the gap for Torres Strait Islander and Aboriginal people living in the Torres Strait Region through development planning, coordination, sustainable resource management, and preservation and promotion of Indigenous culture.⁸⁰

4.6 As part of the Outcomes and Programs Framework, agencies are required to identify their program deliverables and KPIs. Deliverables are the ‘goods and services produced by the program in meeting its objective. Collectively, the deliverables represent the intervention government has chosen to take to meet a particular policy need.’⁸¹ An example of a deliverable is the number of grants provided to a target group. In this context, ‘KPIs are not a measure of the output of the program...but the effectiveness of the program in achieving its objective.’⁸² The current policies and guidance promulgated by Finance require entities to report on KPIs, which ‘demonstrate

79 Department of Finance and Deregulation, *Performance Information and Indicators*, October, 2010, Canberra, p. 1.

80 Families, Housing, Community Services and Indigenous Affairs Portfolio, *Portfolio Budget Statements 2013–14, Budget Related Paper No. 1.6*, Canberra, 2013, p. 283.

81 Department of Finance and Deregulation, *Performance Information and Indicators*, October, 2010, Canberra, p. 8.

82 Department of Finance and Deregulation, *Guidelines for the Preparation for the 2013–14 Portfolio Budget Statements*, Canberra, April 2013, p. 30.

the performance of the program in achieving its objectives and contributing to its respective outcome'⁸³

4.7 In the 2013–14 PBS, the TSRA identified 33 deliverables and 12 indicators against which its performance would be assessed.⁸⁴ In some cases, the KPIs measure deliverable outputs rather than progress toward the program objective, for example, one KPI refers to the number of Indigenous artists and cultural practitioners supported, rather than measuring the increase in the skill levels of the artists and cultural practitioners in the region. In other cases, the KPIs discuss 'measurable change' in outcomes, but do not clearly articulate what is being measured. The KPIs specified in the PBS are mostly drawn from the KPIs contained in the development plan and while generally appropriate for the TSRA's board and administration to monitor and report on TSRA's activity and performance, the Outcomes and Programs framework has a more strategic outcome focus. Using the same KPIs provides a clear connection between the development plan, the PBS and the annual report, but has the consequence of not being focussed on measuring progress against closing the gap in the region.

Reporting PBS KPIs in the annual report

4.8 Reporting against the PBS performance measures in its annual report to Parliament is a key element of an agency's accountability and there should be a clear alignment between the KPIs specified in the PBS and those reported in the annual report. Including additional indicators can be useful in providing a more complete picture of performance, provided there is an easy comparison between the PBS measures and the actual performance reported. In 2012-13, the TSRA reported on all parts of the development plan in its annual report with the 14 PBS indicators listed under individual program headings, interspersed with details on activities, case studies and performance information. Improvements could be made in the presentation of information in the TSRA's annual report so that PBS KPIs are grouped together within the report and in the same order as they are presented in the PBS.

⁸³ *ibid.*

⁸⁴ In 2011–12, the PBS included nine KPIs and in 2012–13, there were 14 KPIs.

Closing the Gap Reporting

4.9 Within the Outcomes and Programs Framework, the TSRA's stated program outcome and objective focus on progress against closing the gap on Indigenous disadvantage in the region as discussed in paragraph 4.5. Since 2009–10, the TSRA has included a section in its annual report dedicated to reporting against closing the gap. To provide indicators of progress, the TSRA generally reports the most recent census data for the Torres Strait region from the Australian Bureau of Statistics (ABS). Indicators used include population, employment, education, income and housing data. The TSRA's 2011–12 and 2012–13 reports included a synthesis of 2011 Census and Queensland Government information to show that 'death rates continue to be higher in the Torres Strait and Northern Peninsula Area than in mainland Australia.'⁸⁵

4.10 In general, the TSRA's closing the gap reporting requires further development as none of the data reported is explicitly linked to any of the six closing the gap targets. As presented, there is no comparative data or narrative that links the reported statistics to closing the gap targets. For example, a more relevant statistic would be information on the number of four-year-old Indigenous children living in the region and those who are in early childhood education. This would address the COAG target 'ensuring access to early childhood education for all Indigenous four year olds in remote communities within five years.' The TSRA does not conduct trend analysis over time which further inhibits an assessment of progress.

Internal monitoring and reporting using the development plan

4.11 The basis for TSRA's 2011–12 and 2012–13 internal monitoring centres on the *Torres Strait Development Plan 2009–2013* (development plan) and its key performance indicators. The development plan includes 30 short-term and 31 long-term performance indicators. The short-term indicators were linked to initiatives to be concluded by 2013 and the long-term indicators related to activities or program outcomes to be achieved by 2017. Monitoring and reporting on implementation of the development plan, including quarterly reporting on its short-term KPIs, is undertaken by the PSC and provided to the TSRA board. Many of the TSRA's funding agreements are required to include

85 Torres Strait Regional Authority *Annual Report 2011–12*, TSRA, Queensland, p. 94.

performance information linked to the TSRA's KPIs, which facilitates monitoring of service delivery and reporting.

Development plan key performance indicators

4.12 When designing its KPIs, the TSRA identified the benefit description, indicator, target and benefit recipient/target group.⁸⁶ Table 4.1 provides an example of the Economic Development program short and long-term KPIs.

Table 4.1: Examples of short and long-term KPIs—Economic Development program

No.	Benefit Description	Indicator	Target
Short-term Benefits			
1	Increase the number of Torres Strait Islander and Aboriginal individuals in non-CDEP employment	The positive change in the number of individuals in non-CDEP employment	Fifty (50) people moved from CDEP into non-CDEP jobs per annum from July 2009 to June 2013
2	Increase in the number of approved TSRA loans	The positive change in the number of Torres Strait Islander & Aboriginal people successfully accessing commercial loans	Five (5) new business loans and three (3) new home loans granted per annum from July 2009 to June 2013
3	Increase in the participation of Torres Strait Islander and Aboriginal people in industry training	Increase in the number of individuals undertaking training for a specific industry	Fifty (50) people trained in the three core industries of tourism, marine and arts per annum to 2013
Long-term Benefits			
5	Increase in employment of Torres Strait Islander and Aboriginal people in the Torres Strait Region	Lower unemployment rate	Unemployment rate (expressed as a percentage of the total labour force) remains under five (5) per cent as measured by the 2011 and 2016 census

Source: ANAO from TSRA information.

Short-term performance indicators

4.13 While the TSRA's program activity is mapped to closing the gap and the accompanying KPIs generally measure activity rather than achievement, the KPI reporting is useful as a management framework for the TSRA to

86 The target groups are Torres Strait Islander and Aboriginal people resident in the region.

internally monitor performance and delivery of TSRA services. There are some minor areas where the TSRA can improve its indicators to assist the board to monitor the implementation of the development plan. For example, within the Native Title program the identified benefit is 'Proponents more aware and educated', however, there is no indicator or target relating to education or awareness. The agreed indicator is 'reduced length of negotiation processes' and 'compliance with legislative requirements for Future Acts'. On its own, the indicator does not closely reflect the benefit described.

4.14 In addition, some of the KPIs established in the development plan had targets to be achieved one or two years into the development plan period, or had static targets to be achieved annually throughout the cycle. Having static targets does not lend itself to demonstrating increased efficiency over time, particularly if this target is consistently overachieved. For example a performance indicator established for the development plan is: an 'increase in the participation of Torres Strait Islander and Aboriginal people in industry training'⁸⁷, with a target to be achieved of 'fifty people trained in the three core industries of tourism, marine and arts per annum to 2013.'⁸⁸ In its 2011–12 annual report the TSRA reported that '562 people undertook accredited training.'⁸⁹ Therefore, three years into the development plan, the TSRA's reporting demonstrates an overachievement against the static target. Using 'stretch-targets' and increasing the target annually would better demonstrate the progress of achievements made over time. In these circumstances the TSRA needs to ensure that it has a clear base line against which to report these increases.

Long-term performance indicators

4.15 The current development plan includes 31 long-term indicators relevant to activities and proposed outcomes up to 2017, beyond the timeframe for the current development plan. In formulating the next development plan the TSRA will need to ensure the long-term activities from the previous plan are carried forward and reported in the next version of the development plan. Reporting against the long-term KPIs would assist transparency and consistency across development plan time periods, as well as help provide an

87 Torres Strait Regional Authority, *Torres Strait Development Plan 2009–13*, TSRA, Queensland, 2009, p. 13.

88 *ibid.*

89 TSRA, *Torres Strait Regional Authority Annual Report 2011–12*, p. 27.

overall measure of the progress made in achieving the TSRA's program objectives in the region over time. In addition, developing interim targets or milestones for some these long-term KPIs would allow the TSRA to report progress within a development plan period. For example, the TSRA has a long term KPI for its Economic Development program with the target 'thirty sustainable small-medium enterprises in operation by 2017.'⁹⁰ By reporting periodically against this target, the TSRA could provide an assessment of progress made against the KPI.

4.16 The TSRA does not formally assess the achievement of the development plan over the four-year period. It undertakes an annual assessment, particularly in relation to measuring its KPIs but assessing the development plan's achievements covering the full period would provide a stronger base for the preparation of the next development plan.

Broader trends and indicators for the region

4.17 In the absence of long term assessments and reporting by the TSRA, the ANAO reviewed a selection of publicly available comparative data for the period 2001 to 2011 to provide an overview of the progress in the region, including the Socio-Economic Indexes for Areas; non-school qualifications; and real household income. The paucity of publicly available information in key areas makes assessment difficult, a point also noted more generally by the COAG Reform Council with regard to the NIRA.⁹¹

Socio-Economic Indexes for Areas

4.18 The Socio-Economic Indexes for Areas (SEIFA)⁹² indexes can provide an indication of the Torres Strait's local government areas rank relative to the rest of Queensland measured in terms of deciles, with decile one representing the

90 Torres Strait Regional Authority, *Torres Strait Development Plan 2009–13*, TSRA, Queensland, 2009, p. 13.

91 Council of Australian Governments—Reform Councils, *Indigenous Reform 2011–12: Comparing performance across Australia—Report to the Council of Australian Governments*, [Internet], April 2013, available from <[http://www.coagreformcouncil.gov.au/sites/default/files/files/National%20Indigenous%20Reform%20Agreement%20-%2030%20April%202013\(1\).pdf](http://www.coagreformcouncil.gov.au/sites/default/files/files/National%20Indigenous%20Reform%20Agreement%20-%2030%20April%202013(1).pdf)> accessed on 29 October 2013, p. 71.

92 The ABS calculates four Socio-Economic Indexes for Areas (SEIFA) based on a number of indicators from Census data, providing a summary measure of the social and economic conditions in geographic areas across Australia.

lowest 10 per cent and decile ten representing the top 10 per cent of the state.⁹³ These four indexes are:

- the Index of relative Socio-economic Disadvantage, which ranks areas on a continuum from most disadvantaged to least disadvantaged and only includes indicators of disadvantage. A high score indicates that an area is less disadvantaged;
- the Index of Relative Socio-Economic Advantage and Disadvantage, which ranks areas on a continuum from most disadvantaged to most advantaged. A high score indicates a relatively high incidence of advantage and a relatively low incidence of disadvantage;
- the Index of Economic Resources, where areas with higher scores have relatively greater access to economic resources than areas with lower scores; and
- the Index of Education and Occupation, in which a low score indicates an area has a high proportion of people without qualifications, without jobs, and/or with low skilled jobs.

4.19 Table 4.2 shows the changes in the four Indexes between the 2006 and 2011 censuses⁹⁴ for the three local government areas of the Torres Strait region.

93 Longitudinal and time series analyses between different censuses are made difficult by the substantial changes to the variables and indicators measured, as well as to the ABS' geography coding between areas. However, the ABS has suggested that the 'vast majority of similar geographic areas only changed a small amount relative to their 2006 ranking allowing for a comparison across time: Australian Bureau of Statistics, *Socio-Economic Indexes for Areas (SEIFA)*, ABS, 2011, pp. 50-51.

94 SEIFA data for earlier censuses was unable to be examined at the level required to obtain data for the Torres Strait region.

Table 4.2: SEIFA data comparisons within Queensland, 2006–2011

SEIFA Index	Local Government Area	2006 Decile (1–10)	2011 Decile (1–10)
Index of relative Socio-economic Disadvantage	Torres Shire Council	1	2
	Torres Strait Island Regional Council ¹	1	1
	Northern Peninsula Area ¹	1	1.5
Index of Relative Socio-Economic Advantage and Disadvantage	Torres Shire Council	2	2
	Torres Strait Island Regional Council ¹	1	1
	Northern Peninsula Area ¹	1	1.5
Index of Economic Resources	Torres Shire Council	1	1
	Torres Strait Island Regional Council ¹	1	1
	Northern Peninsula Area ¹	1	1
Index of Education and Occupation	Torres Shire Council	6	6
	Torres Strait Island Regional Council ¹	2	3
	Northern Peninsula Area ¹	3	4

Source: ANAO Analysis.

Note 1: Statistics were collected at the Statistical Local Area level for both the 2006 and 2011 censuses to allow for consistency of analysis across censuses. Data for the Torres Strait Island Regional Council and Northern Peninsula Areas were aggregated from individual island and community datasets, with the resulting decile being an average of all the aggregate communities that make up the local government area communities.

4.20 There has been a slight increase in five out of the 12 indicators for the Torres Strait Local Government Areas from 2006 to 2011. For all Indexes, except for the Index of Education and Occupation, the Torres Strait Local Government Areas are still in the lowest 20 per cent, relative to the rest of Queensland.

Environmental health

4.21 In 1993, the lack of environmental infrastructure was seen to impact on the health status of the people of the Torres Strait, particularly in relation to environmental health and infectious diseases. Inadequate living conditions were also seen as an important contributor to health inequality.⁹⁵ A 1992 *ATSIC Housing and Community Infrastructure Needs Survey* identified that:

95 G. Hockley, 1993 *Torres Strait Health Strategy: our health, our future, our decision*, Torres Strait Health Workshop, August 1993, Queensland, p. 12.

- 65 per cent of communities surveyed (including homelands/outstations) had water available for human consumption which complied with National Health and Medical Research Council Guidelines, and
- 45 per cent of communities (excluding homelands/outstations) had sewerage systems that normally worked satisfactorily.⁹⁶

4.22 Since 1998, the Major Infrastructure Program (MIP), which is jointly funded by the Australian and Queensland governments, has been constructing essential infrastructure for water, sewerage and roads in the region. Four external reviews of the MIP have been undertaken. These reviews have reported positive outcomes and have supported the continuation of the program. The later reports had a strong focus on the governance arrangements for the program, rather than the achievement of deliverables and the benefits achieved. The TSRA could give consideration to expanding the scope of the next external review to include an evaluation of the outcomes of the MIP, particularly in relation to environmental health issues.

Non-school qualifications data

4.23 People with a skilled vocational qualification or higher qualifications are more likely to be employed than those without such qualifications. The level of non-school education attained by Indigenous people older than 15 years, from the region, using data from the 2001, 2006 and 2011 Censuses is shown in Table 4.3.

⁹⁶ Aboriginal and Torres Strait Islander Commission; Australian Construction Services, 1992 *National housing and community infrastructure survey*, ATSIIC 1992, Cited in, Australian Bureau of Statistics, 1994 *National and Aboriginal Torres Strait Islander Survey – Torres Strait Area*, ABS, 1996, p. 33.

Table 4.3: Non-school qualifications attained by Indigenous individuals over 15 years of age—Torres Strait region⁹⁷

	2001 Census	2006 Census ²	2011 Census
Indigenous individuals with non-school Qualifications ¹	420	1123	1268
As a percentage of Indigenous population	11.3%	25.8%	29.3%

Source: ANAO analysis.

Note 1: Non-school qualifications include postgraduate degrees; graduate diplomas and graduate certificates; bachelor degrees; advanced diplomas and diplomas; and certificates.

4.24 In addition, a survey was conducted in the Torres Strait region by the ABS in 1994 titled the *National Aboriginal and Torres Strait Islander Social Survey—Torres Strait*. The survey of 4000 people indicated that 400, or 10 per cent, of individuals who had left school at 15 or older, had post-school qualifications. While appreciating the issues involved with comparing disparate census and other survey data sets across years, the data comparisons indicate that the rate of non-school qualifications attained by Indigenous people older than 15 from the region has improved over time.

Household data

4.25 Income is an important determinant of socio-economic status. The ANAO used ABS Census data to compare the real weekly Indigenous household income in 2001, 2006 and 2011 to determine indicators for improvements over time. Although there are issues with conducting longitudinal studies across Censuses, comparing the top end of the real median household income in 2001 to 2011 indicates that the real income increased by approximately two per cent in the region surveyed across the period (Shown in Table 4.6). Income for prior years has been adjusted to 2011 dollars.

97 The ABS' geographical boundaries for the 'Torres Strait Region' changed between 2006 and 2011. Therefore the ANAO used the ABS' TableBuilder tool to aggregate data by Local Government Area regions to determine approximate statistics for the 2006 and 2011 years. Caution should be taken when comparing census data across time.

Table 4.4: Real median weekly income of Indigenous households—Torres Strait region—using 2011 as the base year⁹⁸

Income type	2001 Census	2006 Census	2011 Census
Real median weekly household income	\$799–\$931	\$935	\$951

Source: ANAO analysis.

Conclusion

4.26 The TSRA has established a generally sound monitoring and reporting framework to support internal reporting. The TSRA Key Performance Indicator (KPI) framework in the Portfolio Budget Statements (PBS) is drawn from the *Torres Strait Development Plan 2009–2013*, providing for a reasonable alignment between performance information that is used internally to monitor performance and that which is reported externally to the Parliament. However, the indicators designed for the development plan do not in all cases translate effectively to the Outcomes and Programs framework established by the government. The KPIs in that context should measure performance of programs in achieving the Government's outcomes, rather than measure deliverables or activities. Under the Outcome and Programs Framework, the TSRA's program outcome is directly linked to progress against closing the gap targets. Outside of its KPI reporting, the TSRA provided information on closing the gap in the region in the 2011–12 and the 2012–13 annual reports. However, the statistics reported do not provide information to support achievements in closing the gap and overall the TSRA could do further work to develop and report indicators that more directly relate to the achievement of its program outcome.

98 The 'Torres Strait region' surveyed in the 2011 Census did not include the Northern Peninsula Area communities of Bamaga or Seisia (which are considered part of the Torres Strait region). The same region in 2006 included Bamaga and Seisia, but also included some other areas in Cape York not traditionally attributed to the Torres Strait region. In 2001, the Census survey was conducted of former ATSIC regions and is deemed to accurately reflect the region. The ANAO was unable to use ABS' TableBuilder to aggregate data by Local Government Area regions for this indicator. Therefore caution should be taken when comparing censuses due to changes in the ABS' geographical boundaries between 2006 and 2011.

4.27 The TSRA is required through the ATSI Act to formulate a Torres Strait Development Plan for the region, but is not required to report against the achievement over the life of the plan. Evaluating and reviewing TSRA's performance over the period of the plan or at least periodically would provide a means to ascertain whether the TSRA is achieving improvements to the wellbeing of the Torres Strait Islander and Aboriginal residents of the region.



Ian McPhee
Auditor-General

Canberra ACT
11 December 2013

Appendices

Appendix 1 Agency Response



TSRA
www.tsra.gov.au

28 November 2013

Dr Andrew Pope
Group Executive Director
Performance Audit Services Group
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

Proposed audit report on the Torres Strait Regional Authority – Service Delivery

Dear Dr Pope, *ANDREW*

Thank you for the opportunity to provide comment on the Australian National Audit Office's proposed audit report on the *Torres Strait Regional Authority – Service Delivery*.

Please accept Attachment A to this letter as the TSRA's formal response to the Auditor General on the proposed audit report, Attachment B as the summary of the TSRA's formal response to the proposed audit report and Attachment C as the TSRA's response to the two recommendations set out in the proposed audit report.

The TSRA's response to the proposed report is directly relevant to the audit findings and recommendations in that report. Please contact Mr Chris de Mamiel, TSRA's Chief Financial Officer and Manager, Corporate Services on (07) 4069 0700 if you have any questions in regard the TSRA's response.

Yours sincerely,

Wayne See Kee
Chief Executive Officer

Torres Strait Regional Authority
PO Box 261, Thursday Island,
Queensland 4875

Telephone 07 40 690 700 Fax 07 40 691 879
Free Call 1800 079 093 Email info@tsra.gov.au

www.tsra.gov.au

The Torres Strait Regional Authority's formal response to the proposed audit report on the Torres Strait Regional Authority – Service Delivery

The Torres Strait Regional Authority (TSRA) considers the proposed audit report from the ANAO to be a balanced report. The report acknowledges that the TSRA has effective management arrangements in place for delivering and monitoring its own programs, with the TSRA's service delivery aligned to identified needs and the Australian Government's broader policies to address indigenous disadvantage. The report also provides the opportunity for the TSRA to strengthen its position as the leading Commonwealth Agency in the Torres Strait Region on Indigenous matters.

The TSRA will use the comments and findings in the proposed report to strengthen the TSRA's coordination and monitoring role in the Torres Strait Region.

Service Delivery

The ANAO has recommended in the proposed audit report that the TSRA undertake periodic client satisfaction surveys to gauge the level of satisfaction and implements a feedback and complaints process.

The TSRA agrees with the recommendation, and will adopt the ANAO's recommendation to undertake periodic client satisfaction surveys and implement a feedback and complaints process. In addition, the TSRA will continue to engage with Communities in the Torres Strait region to seek feedback on satisfaction levels with its services.

The ANAO has also recommended in the proposed audit report that the TSRA establishes suitable formal arrangements with relevant service delivery agencies to share appropriate program information.

The TSRA agrees with this recommendation and will build on its existing informal arrangements with relevant service delivery agencies in the Torres Strait region and establish suitable formal arrangements.

The TSRA will, in line with Council of Australian Governments' (COAG), continue to emphasise the importance of better coordination of Indigenous Services in the region. The TSRA will work with other Commonwealth agencies, and State and Local governments in the region, to formalise arrangements so that TSRA can monitor services delivered by other agencies in the in the Torres Strait region.

Development and Implementation of services

The ANAO, in the proposed audit report, has acknowledged that since 1994, the TSRA has consistently met its obligations under the *Aboriginal and Torres Strait Islander Act 2005*, (Cth) to formulate a Development Plan. The ANAO also acknowledges that the TSRA's Development Plan 2009-2013 is aligned to the current Torres Strait & Northern peninsula Area Regional Plan – Planning for our future 2009-2029 (regional plan) and also the Closing the Gap building blocks.

The TSRA is currently in the process of preparing its Development Plan for the period 2014-2018 and will use the information provided by the ANAO in the proposed audit report to better measure TSRA's achievements in improving the wellbeing of the Indigenous residents of the region over the life of the Plan.

Performance measurement and reporting

The ANAO has acknowledged that the TSRA reviews its performance against its Development Plan on an annual basis in line with legislative requirements, and also with the TSRA Board on a quarterly basis.

The ANAO has also highlighted in the proposed audit report that no formal evaluation of the cumulative achievements of the TSRA takes place over the life of each Development Plan. The TSRA

Attachment A**The Torres Strait Regional Authority's formal response to the proposed audit report on the Torres Strait Regional Authority – Service Delivery**

acknowledges this information and will consider the benefits of such an undertaking during the course of the 2014-2018 Development Plan.

The ANAO in the proposed audit report refers to the TSRA's KPI's and the need for clear connection between the Development Plan, the Portfolio Budget Statements (PBS) and annual report, and points out that such an arrangement has the consequence of not being focused on measuring progress against closing the gap in the region.

The TSRA considers its Development Plan to be its key strategic document that provides the linkages between KPI's and the strategic outcomes of each program over the life of the document. The TSRA in developing the KPIs for the 2014-2018 Development Plan will consider the information provided by the ANAO on KPIs to ensure that TSRA's future KPIs provide stakeholders with an enhanced ability to monitor TSRA's performance against strategic outcomes.

The ANAO's reference in the report that the TSRA could use trend analysis across years, as a measure of assessment of achievement over time has merit. The TSRA will consider adopting baseline measurements and trend analysis in future reporting periods. The TSRA, as part of its integrated service delivery initiative, and in line with recommendation one of this proposed audit report, will formally engage with other service delivery agencies in the region and gather data to provide trend analysis, so that a better picture of progress can be made toward closing the gap in the Torres Strait region.

Index

A

Aboriginal and Torres Strait Islander
Act 2005 (Cth), 14, 17, 20, 31, 54, 80

C

Community consultation, 20, 39, 46, 47,
49, 50, 51, 53, 54

Community Development

Employment Projects program
(CDEP), 53, 61, 72

Coordinated service delivery, 43, 44

D

Department of Aboriginal and Torres
Strait Islander and Multicultural
Affairs (QLD), 44, 47

F

Feedback and Complaints, 19, 50

I

Indigenous Rangers, 58

Integrated Service Delivery, 18, 19, 41,
43, 44, 47, 51, 54

K

Key Performance Indicators, 19, 68, 72,
79

M

Major Infrastructure Program, 62, 63,
77

N

National Indigenous Reform
Agreement, 9, 15, 16, 18, 31, 39, 41,
49, 53, 54, 74

National Partnership Agreement on
Remote Service Delivery, 44, 47

O

Outcomes and Programs Framework,
21, 68, 69, 70

P

Papua New Guinea, 13, 27, 33

Portfolio Budget Statements, 21, 68, 70,
79

Protected Zone Joint Authority, 42

R

Regional planning, 20, 47, 49, 53, 54

Remote Jobs and Communities
Program (RJCP), 61

S

Service gaps. *See* Service mapping

Service mapping, 18, 20, 44, 46, 47, 51,
54

T

Torres Strait Protected Zone, 13, 28

Torres Strait Treaty, 13, 28, 33

W

Working on Country program, 17, 34,
43, 58, 67

Series titles

ANAO Audit Report No.1 2013–14

Design and Implementation of the Liveable Cities Program

Department of Infrastructure and Transport

ANAO Audit Report No.2 2013–14

Administration of the Agreements for the Management, Operation and Funding of the Mersey Community Hospital

Department of Health and Ageing

Department of Health and Human Services, Tasmania

Tasmanian Health Organisation – North West

ANAO Audit Report No.3 2013–14

AIR 8000 Phase 2 — C-27J Spartan Battlefield Airlift Aircraft

Department of Defence

ANAO Audit Report No.4 2013–14

Confidentiality in Government Contracts: Senate Order for Departmental and Agency Contracts (Calendar Year 2012 Compliance)

Across Agencies

ANAO Audit Report No.5 2013–14

Administration of the Taxation of Personal Services Income

Australian Taxation Office

ANAO Audit Report No.6 2013–14

Capability Development Reform

Department of Defence

ANAO Audit Report No.7 2013–14

Agency Management of Arrangements to Meet Australia's International Obligations

Across Agencies

ANAO Audit Report No.8 2013–14

The Australian Government Reconstruction Inspectorate's Conduct of Value for Money Reviews of Flood Reconstruction Projects in Queensland

Department of Infrastructure and Regional Development

ANAO Audit Report No.9 2013–14

Determination and Collection of Financial Industry Levies

Australian Prudential Regulation Authority

Department of the Treasury

ANAO Audit Report No.10 2013–14

Torres Strait Regional Authority — Service Delivery

Torres Strait Regional Authority

Current Better Practice Guides

The following Better Practice Guides are available on the ANAO website.

Implementing Better Practice Grants Administration	Dec. 2013
Preparation of Financial Statements by Public Sector Entities	June 2013
Human Resource Management Information Systems – Risks and Controls	June 2013
Public Sector Internal Audit	Sept. 2012
Public Sector Environmental Management	Apr. 2012
Developing and Managing Contracts – Getting the right outcome, achieving value for money	Feb. 2012
Public Sector Audit Committees	Aug. 2011
Fraud Control in Australian Government Entities	Mar. 2011
Strategic and Operational Management of Assets by Public Sector Entities – Delivering agreed outcomes through an efficient and optimal asset base	Sept. 2010
Planning and Approving Projects – an Executive Perspective	June 2010
Innovation in the Public Sector – Enabling Better Performance, Driving New Directions	Dec. 2009
SAP ECC 6.0 – Security and Control	June 2009
Business Continuity Management – Building resilience in public sector entities	June 2009
Developing and Managing Internal Budgets	June 2008
Agency Management of Parliamentary Workflow	May 2008
Fairness and Transparency in Purchasing Decisions – Probity in Australian Government Procurement	Aug. 2007
Administering Regulation	Mar. 2007
Implementation of Program and Policy Initiatives – Making implementation matter	Oct. 2006

