

The Auditor-General
Audit Report No.45 2013–14
Performance Audit

Initiatives to Support the Delivery of Services to Indigenous Australians

Department of Human Services

© Commonwealth of Australia 2014

ISSN 1036–7632

ISBN 0 642 81482 1 (Print)

ISBN 0 642 81483 X (Online)

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Canberra ACT
19 June 2014

Dear Mr President
Dear Madam Speaker

The Australian National Audit Office has undertaken an independent performance audit in the Department of Human Services titled *Initiatives to Support the Delivery of Services to Indigenous Australians*. The audit was conducted in accordance with the authority contained in the *Auditor-General Act 1997*. I present the report of this audit to the Parliament.

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'.

Ian McPhee
Auditor-General

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

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Abbreviations

ATSIC	Aboriginal and Torres Strait Islander Commission
BDO	Business Development Officer
COAG	Council of Australian Governments
CRS	Commonwealth Rehabilitation Service
CSA	Child Support Australia
DEEWR	Department of Education, Employment and Workplace Relations
DHS	Department of Human Services
DoH	Department of Health
DoHA	Department of Health and Ageing
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
ICDP	Indigenous Chronic Disease Package
ISB	Indigenous Services Branch
ISO	Indigenous Specialist Officer
ISS	Indigenous Servicing Strategy
ISUM	Indigenous Specialist Unit Manager
MI Wiki	Management Information Wiki
MBS	Medicare Benefits Schedule
MLO	Medicare Liaison Officer

NIC	National Indigenous Coalition
NIRA	National Indigenous Reform Agreement
PBS	Pharmaceutical Benefits Scheme
RAP	Reconciliation Action Plan
VII	Voluntary Indigenous Identification

Glossary

Closing the Gap	A commitment by all Australian governments to improve the lives of Indigenous Australians. The commitment is supported by six targets that measure improvements in life expectancy, employment and education.
Indigenous specific services	Services that are specifically targeted at Indigenous Australians.
National Indigenous Reform Agreement (NIRA)	Overarching agreement between the Australian and state/territory governments to give effect to the Closing the Gap policy commitment.
Policy departments	An Australian Government department with responsibility for policy development in a specific area, for example, the Department of Health.
Regions	A geographic division used by the Department of Human Services to support face-to-face service delivery. Each Region has a number of service centres.
Service zones	The Department of Human Services divides Australia into 15 service zones for administrative purposes. Service zones are made up of a number of regions.
Universal services	Services that are available to both Indigenous and non-Indigenous Australians.
Voluntary Indigenous Identification	The process by which a customer of the Department of Human Services is able to identify themselves as being of Aboriginal and/or Torres Strait Islander descent.

Summary and Recommendations

Summary

Introduction

1. In 2008, the Council of Australian Governments (COAG) committed to a national effort to address the levels of disadvantage experienced by Indigenous Australians. The National Indigenous Reform Agreement (NIRA) established an overall framework for action by governments, as well as identifying six key targets to reduce Indigenous disadvantage.

2. The NIRA was an initiative, in part, to facilitate a broad and comprehensive focus by all government agencies on the needs of Indigenous Australians, including those in urban and regional areas. While acknowledging the role of programs and services deliberately targeting Indigenous Australians (Indigenous specific programs), the NIRA emphasises that significant gains could be made through improving the contribution of mainstream (universal) services to reduce Indigenous disadvantage.

3. Universal programs and services are generally available for all members of the community to access,¹ and a major part of the strategy of successive governments has been to ensure that universal services are accessible to Indigenous customers. Improving universal programs in order to facilitate equitable access and outcomes for Indigenous Australians nonetheless remains a major challenge and one where concentrated and coordinated effort has been identified as necessary to change approaches within Australian Government agencies.

4. The NIRA sets the expectation for significant changes to universal programs, and emphasises the need for 'key system changes and a coordinated approach to service delivery by universal programs within and across governments.'² The NIRA particularly highlights the need for service delivery agencies to develop appropriate cultural competencies, ensure that their services are effective and accessible for Indigenous people, and maximise linkages between Indigenous specific and universal services. Providing a high level of service to Indigenous customers rests on sound service delivery principles, as it does for all service delivery across all sectors—know the

1 Except when access is conditional, for example by income levels.

2 Council of Australian Governments, *National Indigenous Reform Agreement (Closing the Gap)*, p. A31.

customer base, understand their needs, communicate effectively, consult them as stakeholders in service design, and monitor outcomes.

5. The Department of Human Services (DHS) is the Australian Government's principal agency for service delivery. In 2012–13, DHS administered \$149.4 billion in payments (or around 39 per cent of government outlays) for a wide range of programs including Centrelink and Medicare and facilitated transfers between parents via Child Support.³ Centrelink alone provides services to over 7 million customers annually, and DHS provides services to most Australians at least once in their lifetime.

6. Through its operations DHS has contact with a significant proportion of the Indigenous population. For example, DHS reported that as at 30 June 2013, the total Centrelink population was 7 359 634, of which 248 955 customers identified themselves as Indigenous, equating to 3.4 per cent of the overall Centrelink customer base,⁴ and 45.4 per cent of the total Indigenous population⁵. As at 30 June 2013 1.5 per cent, or 337 662, of Medicare customers and 5.6 per cent, or 75 585, of Child Support customers identified as Indigenous. These customer groups are not mutually exclusive and an individual customer can be a customer of any combination of these three areas. Identification as Indigenous is voluntary, and is a separate process in the different service delivery areas of DHS.

7. Overall DHS expects that Indigenous customers will account for a greater proportion of their customer demographic over time and that, compared to the general population, a higher proportion of these customers will belong to DHS' high risk or vulnerable customers.⁶ In this context a well considered approach to Indigenous service delivery by DHS can be expected to make a positive contribution to the Government's broader goal of reducing Indigenous disadvantage.

3 DHS, *2012–13 Annual Report*, DHS, Canberra p. 3.

4 DHS, *Indigenous Servicing Strategy 2012–15, Annual Report 2012–13*, DHS, Canberra, 2013, p. 32.

5 There were 548 323 Australians who identified themselves as Indigenous in the 2011 ABS Census.

6 DHS, *Indigenous Servicing Strategy 2012–15*, DHS, Canberra, p. 3.

Audit objective, criteria and scope

8. The audit objective was to assess the effectiveness of DHS' implementation of initiatives to support the delivery of services to Indigenous Australians. To form a conclusion against the objective, the ANAO adopted the following high level criteria:

- sound planning and administration arrangements were established to identify and address the access needs of Indigenous customers;
- service delivery arrangements were established to support the access needs of Indigenous customers; and
- performance monitoring and reporting arrangements provided visibility over service delivery to Indigenous customers and information to improve service delivery.

Overall conclusion

9. The Department of Human Services (DHS) provides services to a large proportion of the Indigenous population and expects that this customer group will continue to grow as a proportion of its overall customer base. Effective service delivery to disadvantaged groups remains challenging for government departments and a number of factors can affect access and uptake of services by Indigenous customers. In line with its goal of providing high quality services to all Australians, the department has made a number of organisational investments to better understand the needs of customers (including Indigenous customers) and the performance of the department in meeting customer needs through universally accessible services. The department has also acknowledged that accessibility to its universal services is central in its approach to Indigenous service delivery.

10. Overall DHS has developed a reasonable approach to improving its focus on supporting the delivery of services to Indigenous Australians, although there is scope to apply key elements of the approach more consistently across the department. DHS' key organisational responses to strengthening its approach to Indigenous servicing have included the development of the Indigenous Servicing Strategy in 2012; structural arrangements, including specialist staff focused on supporting Indigenous servicing at both the frontline and national office levels; consideration of Indigenous service delivery issues and priorities in departmental business planning; and development of systems and processes to monitor data relating

to Indigenous access and use of DHS services. The department has also worked to promote improving Indigenous service delivery as a corporate priority to which all DHS areas need to contribute, and has promoted this priority through senior management of the department.

11. The development of the Indigenous Servicing Strategy has provided the foundation of a planning and monitoring framework to support an improved standard of Indigenous servicing across the department. Reflecting the importance of improving access to mainstream services for Indigenous customers, a central aspect of DHS' approach is the concept that Indigenous servicing is 'everyone's business'. However, while various areas of the department pay specific attention to the accessibility of the services they are able to influence or control, this is not uniformly the case across the organisation. In particular, the approach taken by different business areas and service zones to reflect Indigenous service issues was variable, with some areas demonstrating considered approaches while other areas adopted a more minimalist approach with little explicit consideration of Indigenous matters. There is scope to improve guidance for planning and to develop a stronger quality assurance process in relation to the development of plans by business areas and service zones.

12. DHS collects and maintains data relating to customer usage across a range of service areas. The analysis of usage data can assist departments with respect to assessing the effectiveness of resource allocations and service delivery approaches, as well as informing aspects of policy development.⁷ Indigenous usage data, while available, is not regularly extracted for analysis and often does not allow a comparison to be made between non-Indigenous usage and Indigenous usage of services. Such comparative analysis would contribute to the department's understanding of whether equitable and accessible services are being provided for Indigenous customers. More specifically, improved data analysis would allow the department to provide front line and program design staff with a better understanding of the composition and needs of their customer base, including the unique needs of particular groups, and allow them to respond to service gaps and needs with targeted resources within operational budgets.

7 The Australian Public Service Commission *Capability Review: Department of Human Services 2012* noted that while the department gathers a significant amount of transactional data which is used for performance management, this data is not always aggregated in a useful way for strategic decision-making.

13. Through the Indigenous Servicing Strategy, DHS has established a performance framework to provide internal management information on the department's performance in providing services to Indigenous customers. The department's first report on the ISS identified several areas where DHS had performed favourably against performance measures. These included reported increases in the numbers of Indigenous people registered for Medicare and increases in the use of self-service channels. The framework is a positive step in developing a departmental-wide view of Indigenous usage of key services. A further positive aspect of the performance framework is that performance information is also collected on aspects of DHS' internal capability. There is however scope to improve the measures used in the framework through the inclusion of baseline information on service usage by Indigenous customers and targets for its improvement.

14. The ANAO has made one recommendation aimed at improving the use of existing data within DHS in order to inform service delivery, service design and to enhance the department's ability to contribute to policy development.

Key findings by chapter

Planning and structural arrangements to support Indigenous servicing within DHS (Chapter 2)

15. One element of DHS' approach to Indigenous service delivery has been to maintain specialist positions within service regions to support delivery of services to Indigenous customers. Resource allocation for these positions is largely historical and while the distribution across service zones of Indigenous specialist staff generally aligned with the distribution of the customer base, there were some regions with a high Indigenous customer base with few, or no, Indigenous specialist staff.

16. The creation of a specific branch, the Indigenous Services Branch (ISB) and the development of a departmental-wide strategy, the Indigenous Servicing Strategy (ISS), provides a sound platform for promoting Indigenous service delivery across the department. The ISS establishes a guiding principle for business areas of DHS and service zones to specifically incorporate Indigenous issues into their annual planning processes. This is supported by the ISB through annual formal discussions, the provision of templates and advice and monitoring of plans. This guiding principle commenced in 2012 and while it represents a sound approach, in practice the degree to which planning arrangements reflect Indigenous servicing matters varied across the

department. While most business plans at the division and branch level referenced Indigenous issues, less than half of the 122 region and service centre plans sampled by the ANAO made reference to Indigenous issues.

17. DHS focus on structural and planning considerations has also been supplemented by initiatives in relation to staff capacity to better understand and to contribute to Indigenous service delivery initiatives. These initiatives include a cultural awareness training program and the support of an internal consultative forum, the National Indigenous Coalition, to provide advice on Indigenous service delivery practice and design issues.

Data collection and analysis to support Indigenous service delivery (Chapter 3)

18. Being able to readily identify particular customer groups and analyse relative trends in access to and use of services is an important aspect of service delivery. DHS is able to reasonably estimate and identify the level of Indigenous usage of its particular services. While Indigenous customers make up around 3 per cent of DHS' total customer base, a large proportion of Australia's Indigenous population receive services through DHS. Centrelink alone has over 248 000 Indigenous customers, or 45.4 per cent of Australia's total Indigenous population. As a result, the department's performance in delivering services affects a large proportion of the Indigenous population.

19. Customer data can be an important source of information which government agencies can analyse, within existing policy and legal requirements, to better understand aspects of service use and relationships with other services with a view to improving service delivery approaches and coverage. DHS is well-placed in terms of holding a wide range of data which potentially reflects on the quality of services provided to Indigenous Australians and the extent to which those services are accessible and equitable. There has been some effort to enable better sharing of data across the department, although the extent of analysis of existing data varies between the different business areas of DHS.

20. Improved access to, and use of, customer data, within existing policy parameters, would allow further analysis of key aspects of Indigenous servicing and identify areas where access to services may not be equitable or effective. In particular a greater use of comparative data would position the department better to understand the differences between Indigenous and non-Indigenous access to services. It would also highlight areas where further

analysis may improve accessibility and use of front line services, refine systems design and enable the department to better inform policy development.

The Indigenous Servicing Strategy's performance measures (Chapter 4)

21. The performance framework established by DHS for the Indigenous Servicing Strategy (ISS) is positive in that it promotes a departmental-wide view of Indigenous servicing, and also seeks to provide focus to important aspects of internal capability, including staff understanding of Indigenous issues. The range of areas measured under the strategy reasonably reflects Indigenous customer usage of the main DHS payments and services. While usage levels are relevant measures of performance, on their own they do not enable a full assessment of the effectiveness of services and their accessibility. In the absence of comparative data, contextual benchmarks or relevant proxy indicators, the existing measures do not allow for an assessment of progress against the department's broader objective of providing equitable and accessible services, including to Indigenous Australians.

22. The inclusion of targets and associated timeframes would also strengthen the department's ability to measure whether it is achieving its goals in relation to improving Indigenous service delivery. Additionally, periodically assessing the effectiveness of the department's implementation of the ISS would assist in identifying areas that require a stronger focus by management and support the fine tuning of strategies to support improved service delivery to Indigenous customers.

Summary of agency response

23. The department welcomes this report, and considers that implementation of its recommendation will enhance the department's ability to inform Indigenous service delivery, service design and policy development, resulting in better servicing to Indigenous Australians.

Recommendation

Recommendation No.1

Paragraph 3.25

In order to improve the department's capability to support outcomes for Indigenous Australians, the ANAO recommends that DHS review the extent to which data is accessed and analysed to inform Indigenous service delivery, service design and contribute to policy development, and reduce the barriers to its use.

DHS' Response: *Agreed*

Audit Findings

1. Introduction

This chapter provides background on Australian Government approaches to Indigenous service delivery and information on the Department of Human Services and its approach to Indigenous servicing. The chapter also provides information on the audit objective, scope and criteria.

Policy context of Indigenous servicing

1.1 In 2008, the Council of Australian Governments (COAG) committed to a national effort to address the levels of disadvantage experienced by Indigenous Australians. The National Indigenous Reform Agreement (NIRA) established an overall framework for action by governments, as well as identifying six key targets to ‘Close the Gap’ in Indigenous disadvantage.

1.2 The NIRA was an initiative, in part, to ensure that there was a broad and comprehensive focus by all government departments on the needs of Indigenous people, including those in urban and regional areas. The NIRA acknowledges the need for greater focus on access to universal services⁸ for Indigenous people living in urban and regional areas through the National Urban and Regional Service Delivery Strategy. The strategy aims to achieve better outcomes in urban and regional areas as a key step in meeting the Closing the Gap targets nationally by requiring the Commonwealth and the states and territories to use universal and Indigenous specific⁹ funding to improve service delivery outcomes for Indigenous Australians living in urban and regional areas.

1.3 The enhancement of universal programs to deliver better services for Indigenous people is a major challenge and one where concentrated and coordinated effort has been identified as necessary to change approaches within Australian Government agencies. Making universal services more accessible for Indigenous Australians has been recognised as an issue for some time and received higher profile following the abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC) in 2005. For example, the 2005 Senate Select Committee report, *After ATSIC—Life in the Mainstream*, raised

8 Universal, or mainstream, services are available to Aboriginal and Torres Strait Islanders as well as non-Indigenous Australians.

9 ‘Indigenous specific’ refers to programs or services that are targeted at Aboriginal and or Torres Strait Islanders.

major concerns about the ability of government to make the changes required for universal services to become more relevant and accessible for Indigenous people. Accordingly, a major part of the strategy of successive governments has been to ensure that universal services are accessible to Indigenous people. Accessibility and effectiveness of universal programs is particularly relevant for the 75 per cent of Indigenous people who live in cities and regional centres.

1.4 The NIRA acknowledges that the settings of government policies, programs and service delivery capabilities will affect the extent to which programs meet the needs of Indigenous customers.

Cultural awareness and competency on the part of policy makers and people implementing government programs, the elimination of overt and systemic discrimination, and the development of programs that meet the cultural needs of Indigenous people will be an important part of the Closing the Gap initiatives.¹⁰

1.5 The NIRA also sets the expectation for significant changes to universal programs, as follows:

All governments will be required to develop policy and program directions that embed the Service Delivery Principles for Programs and Services for Indigenous Australians. This will require key system changes and a coordinated approach to service delivery by universal programs within and across governments. Governments will need to reform service delivery systems to ensure that:

- government investments deliver effective and accessible services that are taken up by Indigenous people in urban and regional locations;
- service delivery agencies are culturally competent to deliver good outcomes for Indigenous people;
- government investments maximise linkages between Indigenous specific and mainstream services;
- government investments deliver service models that respond to high levels of mobility amongst Indigenous Australians; and
- investment on services and programs is prioritised and in specific locations that have the greatest impact on closing the gap and breaking the cycle of intergenerational disadvantage.

10 Council of Australian Governments, *National Indigenous Reform Agreement (Closing the Gap)*, p. A19.

1.6 Achieving the Closing the Gap targets is dependent on improvements in the quality of the universal services in urban and regional areas delivered to Indigenous people, a point noted by the *Strategic Review of Indigenous Expenditure*.¹¹ In general, there are a number of barriers to Indigenous Australians accessing universal services that result in Indigenous people not accessing services relative to their needs. This issue is recognised in the NIRA:

These disparities in outcomes have not been met with a concerted effort to address Indigenous health, housing, early childhood development, education and employment needs guided by a clear sense of the gaps in outcomes experienced by Indigenous Australian. Instead there has been a mixed response at all levels of government, which has produced a number of factors which need to change in order for Indigenous people to take up services, and get better outcomes from them.¹²

1.7 The Australian Government's principal service delivery agency, the Department of Human Services (DHS), has identified a range of potential barriers for staff to be aware of when serving Indigenous customers. These include:

- language issues;
- kinship and cultural obligations within the Indigenous community which may vary from non-Indigenous community family obligations;
- cultural issues;
- disproportionately lower health status;
- caring responsibilities based on different child rearing responsibilities and traditions;
- disproportionately lower education levels;
- challenges with financial management;
- isolation;
- negative contact with the criminal justice system;
- racism, evidenced by non-Indigenous community attitudes;

11 Department of Finance and Deregulation, *Strategic Review of Indigenous Expenditure*, DoFD, Canberra, 2010, p. 11.

12 Council of Australian Governments, *National Indigenous Reform Agreement (Closing the Gap)*, p. B52.

- poor housing and overcrowding; and
- disproportionately higher levels of homelessness.

1.8 The number of co-existing barriers and disadvantages makes provision of high quality Indigenous servicing complex and therefore challenging—particularly for universal providers with the additional cultural, communication and trust issues that may not be present for Indigenous service providers. This complexity has caused Indigenous policy making and service delivery to address Indigenous disadvantage to be described as a ‘wicked problem’¹³.

1.9 Consequently, providing a high standard of service for Indigenous customers remains challenging for government departments given the number of inter-related issues involved. In urban and regional areas, the reduced visibility of the Indigenous population adds further challenges to servicing. A high standard of service delivery, which includes or is supported by Indigenous servicing expertise, is required if universal services are to provide outcomes for Indigenous customers as anticipated.

The Department of Human Services

1.10 The Department of Human Services (DHS) was created in October 2004 to improve the delivery of government social and health-related services to the Australian people. Initially, the department included a core policy capability along with Child Support Australia (CSA) and the Commonwealth Rehabilitation Service (CRS Australia). Subsequent changes have expanded both the department and its portfolio. In 2007, the department (including CSA and CRS) was transferred to a newly created Human Services portfolio with Centrelink, Medicare and Australian Hearing as separate bodies within the portfolio. In 2011, Medicare Australia and Centrelink were integrated into DHS.

1.11 As at 30 June 2013, DHS was the largest Australian Government department. In 2012–13, DHS administered \$149.4 billion in payments (or around 39 per cent of government outlays) for a wide range of programs, from over 700 outlets located across all states and territories, including urban, regional and remote areas.¹⁴ Centrelink alone provides services to over

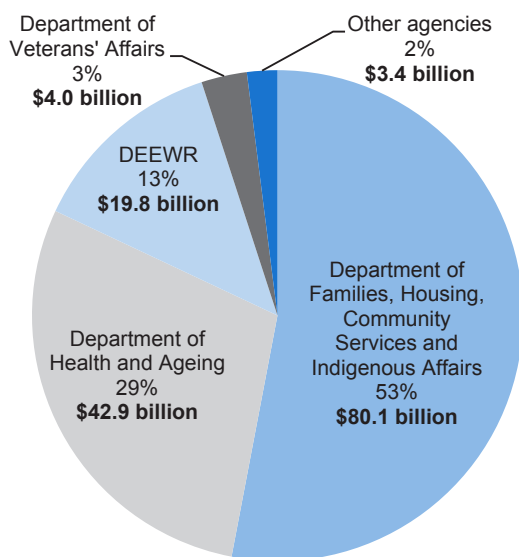
13 Australian Public Service Commission, *Tackling Wicked Problems*, APSC, Canberra, 2007, p. 2.

14 DHS, *2012–13 Annual Report*, DHS, Canberra p. 3.

7 million customers annually, and DHS provides services to most Australians at least once in their lifetime.¹⁵ A review of DHS capabilities in 2012 found that the department delivers a large number of services reliably day after day. The review noted however, that ‘any significant failure in DHS delivery mechanisms would have major implications for social cohesion and the financial wellbeing of many Australian citizens’.¹⁶

1.12 DHS has responsibility for the delivery of Australian Government payments and services and has service delivery arrangements with a number of policy departments. In 2012–13 DHS made payments under agreements with the policy departments as outlined in Figure 1.1.

Figure 1.1: DHS payments by policy department 2012–13



Source: DHS Portfolio Budget Statements 2013–14.

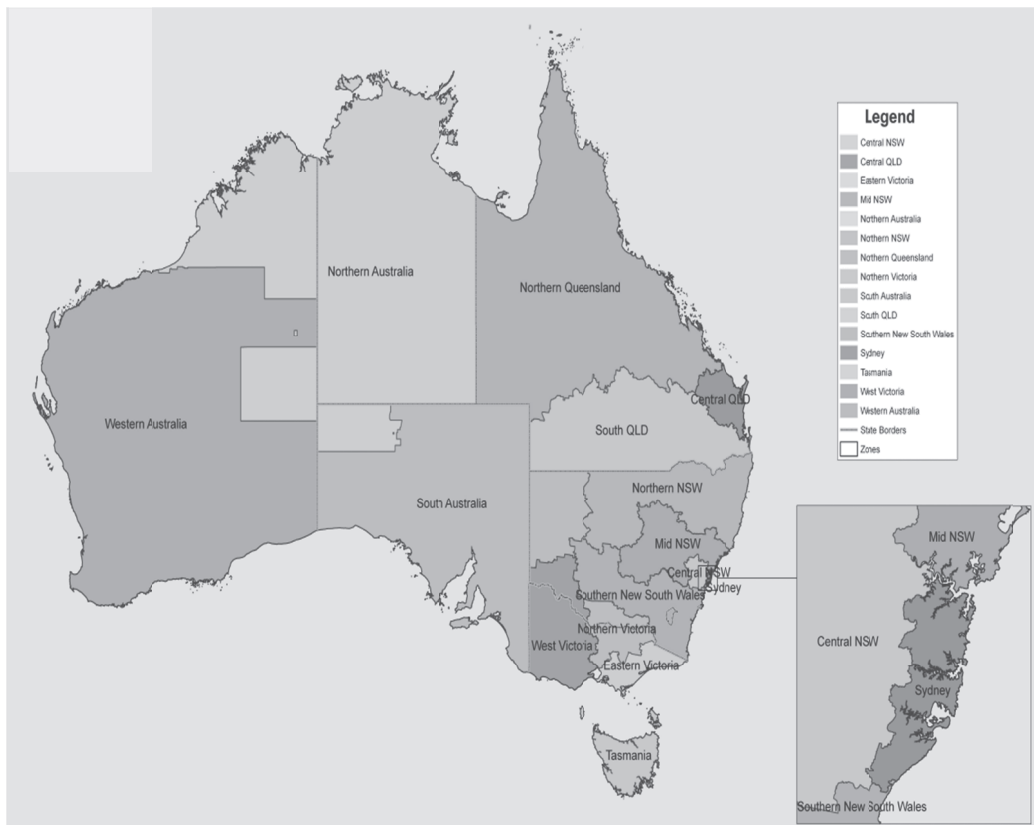
NOTE: Under the Administrative Arrangements Order of 18 September 2013, policy responsibility for most services provided previously by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), the Department of Education, Employment and Workplace Relations (DEEWR) and the Department of Health and Aging (DoHA) moved to the Department Social Services, the Department of Employment, the Department of Education, the Department of Health and the Department of the Prime Minister and Cabinet.

15 DHS, *ISS 2012–15, Annual Report 2012–13*, DHS, Canberra, 2013, p. 32.

16 Australian Public Service Commission, *Capability Review Department of Human Services*, APSC August 2012, p. 6.

1.13 DHS provides the majority of its face-to-face services via 15 service zones, as illustrated by Figure 1.2. Service zones are made up of a number of regions, with each region comprising of a number of service centres. Since the amalgamation of Centrelink, Medicare and Child Support into DHS, services have increasingly been co-located with service centres.¹⁷ Not all the services provided by DHS are face-to-face customer services with telephony and online services provided through Smart Centres. The department’s delivery arrangements vary between programs. For instance, for a range of income support programs DHS has a direct relationship with customers, whilst for health programs DHS predominantly administers payments for services provided through third party providers.

Figure 1.2: DHS service zones



Source: DHS.

17 ANAO Audit Report no.42 2012–13 *Co-location of Department of Human Service Shopfronts*.

DHS outcomes and strategies

1.14 The principle outcome for DHS, set out in the 2013–14 Human Services Portfolio Budget Statements, was to:

Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery.¹⁸

1.15 DHS' key strategies to achieve the outcome are:

- the design and development of service delivery systems that are convenient and accessible; and meet the diverse needs of the community;
- the provision of payments and services that match the circumstances of members of the community;
- support for people to help them understand their rights and responsibilities and meet their obligations;
- work with the public, private and non-government organisations, state and territory governments and other Australian Government departments and agencies to build partnerships for the delivery of services.¹⁹

1.16 DHS has outlined its goals in the Department of Human Services Strategic Plan 2012–16. This document is a four year plan charting the vision, mission, strategic priorities and key performance indicators for DHS and provides a platform for all other plans developed in the department. In the strategic plan, DHS outlines its aspirations to position the department as the service provider of choice for government. DHS' stated vision is for '*excellence in the provision of government services to every Australian*'. This vision is captured in the DHS mission statement, which is to provide '*the service you need, when you need it*'.

18 DHS, *Portfolio Budget Statement 2013–14*, DHS, Canberra, p. 13.

19 DHS, *Portfolio Budget Statement 2013–14*, DHS, Canberra, p. 13.

DHS Indigenous servicing

1.17 In line with the Australian Government's Closing the Gap commitment, DHS seeks to provide equitable and accessible services to all Australians, including Indigenous people.²⁰ Australia's Indigenous population is rapidly growing, increasing at almost twice the rate of the non-Indigenous population. DHS reported that as at 30 June 2013, the total Centrelink population was 7 359 634, of which 248 955 customers identified themselves as Indigenous, equating to 3.4 per cent of the overall Centrelink customer base.²¹ On these figures some 45.4 per cent of the total Indigenous population are customers of Centrelink.²²

1.18 DHS has developed several internal plans and strategies relevant to Indigenous service delivery. The Indigenous Servicing Strategy was developed in 2012 to provide a greater focus across the department on Indigenous servicing issues. Additionally, and to promote internal capabilities for Indigenous servicing DHS has developed the Aboriginal and Torres Strait Islander Employee Plan 2011–15 and the Department of Human Services Reconciliation Action Plan 2012–14. The purpose of the Aboriginal and Torres Strait Islander Employee Plan 2011–15 is to improve the employment circumstances and future prospects for Indigenous employees. The Reconciliation Action Plan 2012–14, was developed in consultation with Reconciliation Australia and DHS' National Indigenous Coalition (NIC). It seeks to build understanding and respect for Indigenous culture, develop mutual respect, and create improved opportunities for Indigenous people, particularly for those employed by DHS.

1.19 Providing a high level of service to Indigenous customers rests on sound service delivery principles, as it does for all service delivery across all sectors—that is, put people first in the design and delivery of services, know the customer base, understand their needs, communicate effectively, consult with them as stakeholders in service design, and monitor outcomes. DHS expects that Indigenous customers will account for a greater proportion of their customer demographic over time and that, compared to the general population, a higher proportion of these customers will belong to DHS' high

20 DHS, *Indigenous Servicing Strategy 2012–15*, DHS, Canberra, p. 3.

21 DHS, *ISS 2012–15, Annual Report 2012–13*, DHS, Canberra, 2013, p. 32.

22 There were 548 323 Australians who identified themselves as Indigenous in the 2011 ABS Census.

risk or vulnerable customers.²³ Accordingly, the quality of DHS servicing for Indigenous customers is important given its potential contribution towards the objective of increasing the social and economic participation of Indigenous Australians.

Audit approach

Audit objective, criteria and scope

1.20 The audit objective was to assess the effectiveness of DHS' implementation of initiatives to support the delivery of services to Indigenous Australians. To form a conclusion against the objective the ANAO adopted the following high level criteria:

- sound planning and administration arrangements were established to identify and address the access needs of Indigenous customers;
- service delivery arrangements were established to support the access needs of Indigenous customers; and
- performance monitoring and reporting arrangements to provide visibility over service delivery to Indigenous customers and information to improve service delivery.

Report structure

1.21 The report is structured as follows:

- Chapter 2 describes the planning and structural arrangements in place within the Department of Human Services (DHS) to support Indigenous servicing.
- Chapter 3 outlines approaches to analysis of data to support Indigenous servicing in place in Centrelink, Medicare and Child Support areas of DHS, and the range of Indigenous identification processes used.
- Chapter 4 assesses the performance measures adopted for the Indigenous Servicing Strategy.

1.22 The audit was conducted in accordance with ANAO auditing standards at a cost of \$469 610.

²³ DHS, *Indigenous Servicing Strategy 2012–15*, DHS, Canberra, p. 3.

2. Planning and Structural Arrangements to Support Indigenous Servicing within DHS

This chapter describes the planning and structural arrangements in place within the Department of Human Services to support Indigenous servicing.

Introduction

2.1 The Department of Human Services (DHS) provides services across a wide range of service types and geographical areas and has, over time, incorporated a number of former departments and their functions into the one entity. Within this context, and in order to progress its stated vision of ‘excellence in the provision of government services to every Australian’²⁴ DHS has employed a number of structural approaches and planning initiatives to support service delivery. Some of these are generic across the department, while others specifically seek to identify and meet Indigenous customer needs and enhance DHS’ capability to respond to those needs.

2.2 DHS’ overall approach to guide and assess its services in relation to Indigenous people is explained in its Indigenous Servicing Strategy 2012–15 (ISS). The ISS was implemented in June 2012 as a DHS-wide resource for all staff, and has three overarching strategic goals:

- **People**—Develop the capability of the department to provide a workplace which recognises and acknowledges the cultural and situational differences experienced by Aboriginal and Torres Strait Islander staff.
- **Understanding**—Increase understanding of and respect for the cultural identities and experiences of Aboriginal and Torres Strait Islander peoples by DHS staff to ensure that this awareness is reflected within all service delivery.
- **Customer Service Delivery**—Provide quality services that recognise the diverse needs, preferences and expectations of Aboriginal and Torres Strait Islander customers.

24 Department of Human Services, *Annual Report 2012–13* p. ii.

2.3 The relationship between the ISS and broader government goals of reducing Indigenous disadvantage is expressed as follows by DHS:

By achieving the goals and outcomes of the ISS, the department will contribute to the Government’s Closing the Gap agenda for reducing Indigenous disadvantage by helping to meet the key [COAG Closing the Gap] targets.²⁵

The alignment between the ISS and the Closing the Gap goals is shown in Figure 2.1.

Figure 2.1 Alignment between the Indigenous Servicing Strategy and Closing the Gap



Source: ANAO analysis of ISS.

2.4 The ISS is a formal, departmental-wide strategy which is underpinned by seven guiding principles:

²⁵ DHS, *Indigenous Servicing Strategy 2012–15*, DHS, Canberra, p. 3.

- All Human Services staff have a responsibility for Indigenous servicing.
- Each division is to identify and incorporate Indigenous servicing priorities within business areas that align to the ISS.
- The recruitment and retention of Indigenous employees is supported, and Indigenous recruitment, retention and career progression objectives are included in business plans.
- All staff developing programs and/or delivery services to Indigenous people undertake the department's cultural awareness training.
- The National Indigenous Coalition is acknowledged as the department's peak Indigenous consultative forum on Indigenous servicing.
- Indigenous Services Branch (ISB) is acknowledged as the subject matter expert regarding Indigenous service delivery including the ISS, performance reporting and management information/data.
- ISB is to work with and support staff in relation to all Indigenous matters.

These principles emphasise that Indigenous servicing is everyone's business by promoting a shared responsibility. It also seeks to maintain and develop Indigenous servicing expertise within a universal servicing environment. The ISS also includes a set of performance measures, which are discussed in further detail in Chapter 4.

Planning for Indigenous servicing

2.5 The ISS, under its Indigenous Servicing Guiding Principles, intended for the development of planning documentation across DHS to provide a clear strategic direction for Indigenous servicing. The ISS states that to improve outcomes and further strengthen DHS' commitment to enhanced service delivery for Indigenous customers, each division in DHS should identify and incorporate Indigenous servicing priorities within business plans that align with the ISS. It also states that Indigenous recruitment, retention and career progression objectives should be included in these business plans.²⁶

2.6 To operationalise the ISS, relevant National Office divisions and branches develop Indigenous action plans or reference Indigenous servicing in

²⁶ DHS, *Indigenous Servicing Strategy 2012–15*, DHS, Canberra, p. 4.

their business plans which, in turn should align with the plans of the service zones, regions and service centres. The ANAO examined a sample of DHS' planning documents to assess the extent to which Indigenous priorities have been considered consistent with the ISS.

2.7 Within DHS, there are 33 divisions and 15 service zones across the country. At the National Office level, around one quarter of divisions had incorporated ISS priorities in their planning through either Indigenous action plans or business plans. Most divisions and branches generally referenced Indigenous recruitment, retention and career progression objectives in the business plans.

2.8 While the majority of divisional/branch business plans met the expectation that they would address each of the ISS' strategic goals, the quality varied significantly. Some of the Indigenous action plans provided a set of concrete, forward-looking local strategies with a reasonable level of detail in them. Others, however, contained general statements in the place of specific strategies, for example, stating that the division or branch intended to 'increase understanding of obligations [for Indigenous customers] and take a holistic approach to servicing', rather than offering planned approaches to do so. Some of the plans incorporated, as strategies, a number of activities that the division or branch already routinely undertook, rather than identifying ways to improve outcomes in the future.

2.9 All 15 service zones had completed Indigenous action plans which specifically addressed all three strategic goals of the ISS. Service zone business plans reviewed by the ANAO also identified Indigenous servicing as a priority mentioning Indigenous issues, Indigenous servicing or the ISS. However, a small number of the plans referenced these only as part of generic statements that, for example, highlight the need to deliver tailored services to a number of priority groups, of which Indigenous people are one. Of the plans that expressly referenced the ISS, several named the strategy but provided no further detail regarding its implementation.

2.10 Nearly half of the 122 regional/service centre business plans that the ANAO sampled made no mention of Indigenous servicing at all. Very few addressed the 'People' and 'Understanding' goals of the ISS, as the majority were community engagement plans or variations on this. Very little guidance existed at this local level to provide clear strategic direction on Indigenous servicing. The planning documentation at the regional/service centre level,

therefore, did not fully reflect a cascading of the ISS' goals through planning documentation from the national to local level.

2.11 Overall, while the department's steps to develop a greater focus on Indigenous servicing in planning considerations are positive in terms of establishing high level expectations, the subsequent actions by relevant business areas have been variable. Many plans at the local level did not identify Indigenous servicing or Indigenous issues as a specific priority. At the divisional/branch and service zone levels, while most plans addressed the goals of the ISS in some capacity, this was articulated in a minimalist way in many cases, providing few real strategies to achieve the goals of the ISS and including only brief information.

Fostering internal capability for Indigenous servicing

2.12 Developing and refining the capability of generalist staff to identify and respond to Indigenous customer needs is an important strategy in delivering high standards of Indigenous servicing. In addition to the specialist staff discussed below, DHS has developed a number of internal approaches to develop its broader capability. Some of these initiatives are specific to particular functions or branches, such as the development of communication tools by the Communications Branch, while others are applicable across the whole department, such as cultural awareness training and initiatives to recruit and retain Indigenous staff.

The National Indigenous Coalition

2.13 The National Indigenous Coalition (NIC) is DHS' peak advisory forum to discuss issues that affect Indigenous customers. Membership of the NIC includes broad representation from both policy and service delivery areas within the department and includes all senior executive staff who identify as Indigenous.

2.14 The NIC is a key mechanism by which Indigenous expertise can be both supported and accessed throughout the department. The NIC facilitates a forum where Indigenous servicing issues can be raised and discussed and either resolved or escalated to the Customer or Executive Committees. DHS reported that some of the NIC's achievements during 2012–13 include:

- informing the development of an Indigenous Compliance and Debt Working Group and High Level Plan;

- collaborating with the department's Indigenous Employment Strategies Team regarding Aboriginal and Torres Strait Islander Cultural Awareness enhancements and approaches;
- connecting with business areas to assist with initiative implementation to Aboriginal and Torres Strait Islander communities such as: Healthy Start for Schools, ABSTUDY, National Disability Insurance Scheme, Family Non-Lodgers and Reconciliation, Remote Jobs and Community Project, Indigenous Customer Communication Key Messages and Indigenous Payment Accuracy Risk Management Plan; and
- during 2012–13 DHS held two NIC Conferences in Canberra and coordinated ten NIC teleconferences.

Staff Cultural Awareness

2.15 DHS provides three tiers of cultural awareness training that are provided with a view to having training options which accommodate staff time availability and which meet the level of cultural awareness required by their role. Cultural awareness training has been developed and endorsed after consultation with a wide range of stakeholders including the Senior Executive, service zones, the NIC, the Indigenous Services Branch (ISB)²⁷ and the DHS Indigenous Employee Network. The three tiers of cultural awareness training provided by DHS are:

- online (self-timed eLearning);
- face-to-face (one day course); and
- secondments and immersion programs, including to external Indigenous organisations.

2.16 Face-to-face training is presented at DHS offices around Australia by local Indigenous DHS staff. During 2012–13, 3431 DHS staff, being 9.5 per cent of the total, attended the one day cultural awareness training course.

Indigenous specialist staff

2.17 DHS seeks to influence the quality of Indigenous servicing both by a top down approach, through various layers of management, and a bottom up approach, via a network of specialist officers embedded in the network of

²⁷ The Indigenous Services Branch is a branch within DHS which specialise in Indigenous servicing. It is discussed in more detail in paragraph 2.39.

service centres. A number of positions have been established in order to provide the expertise required to support the identification of, and response to, Indigenous needs across the various program areas of DHS.

2.18 Indigenous Specialist Officers (ISOs) are a specialist advisory resource for non-Indigenous service officers. Indigenous Specialist Unit Managers (ISUMs) manage teams of ISOs. Medicare Liaison Officers (MLOs) are also specialist Indigenous staff who provide services and advice to medical service providers, including to Indigenous specific health services. The ISUMs and ISOs are part of the Services Zone staff, while MLOs are part of the Medicare Providers Branch. These specialist staff are supported by, but not directly managed by, the Indigenous Services Branch (ISB). ISOs and ISUMs, being located in the service centres, are often part of the local management teams, providing a mechanism to influence and inform local practices and approaches.

Indigenous Specialist Officers and Indigenous Service Unit Managers

Indigenous Specialist Officers

2.19 DHS established ISOs to provide both a specialist resource for generalist DHS service staff to draw on as required and a link to the Indigenous community and external service networks. There are currently ISOs in each of DHS' 15 service zones, with a total of 79 officers across Australia. ISOs have a community facing, non-transactional role and are expected to promote DHS products and services, increase awareness of changes to policy and programs and increase awareness of customer responsibilities. As Indigenous customer servicing has increasingly been performed by general customer service officers within DHS, the role of the ISO has focused on the department's communication, not only with Indigenous customers and universal DHS service staff, but also with Indigenous communities and third party service providers.

2.20 The community facing role of the ISOs can promote engagement between communities and government, which is a Service Delivery Principle agreed to by the Council of Australian Governments (COAG) through the National Indigenous Reform Agreement (NIRA).²⁸ DHS considers the benefits of having a community facing ISO role include:

28 Council of Australian Governments, *National Indigenous Reform Agreement (Closing the Gap)*, p. D67.

- the community having an increased understanding of the DHS funded services and payments;
- reduced need for customers to seek a face-to-face meeting with DHS staff by providing the required information or service and by referring customers to the online and phone options available; and
- ensuring that third party service providers are better able to support and transition customers during periods of change, such as illness, homelessness or family break up.

2.21 Many DHS customers receive services or support from third party service providers funded by other Australian Government agencies. A well informed network of third party service providers is beneficial for both the customer and DHS. Third party service provider organisations interviewed by the ANAO, (which included provision of medical and aged care services, training, job placement, housing and community development) provided positive feedback on ISOs and the ‘value add’ that the position provided them and their customers. The following comments are a sample made by third party service providers to the ANAO:

We [an Aboriginal organisation] would be lost without [the local ISO]. The ISO role is essential to help us provide DHS funded services to the local Aboriginal and Torres Strait Island population.

It’s vital for DHS to be networked. Our ability to be able to access an ISO in order to resolve an issue [for a customer] or to get information is priceless. It’s important for our organisation to be networked to DHS and the ISO because many Indigenous customers refuse to go in to the DHS office because of many reasons including language barriers, the queues, disabilities and shame.

A lot of [our customers] do not know what they’re entitled to. The ISO informs customers and community agencies what customers are entitled to and provides information on debt prevention.

2.22 The extent to which ISOs are able to inform the network of third party service providers is variable. Factors influencing this include the number of actual providers available, the willingness of the ISO’s Service Centre Manager to support the ISO to work out in the community or to use the ISO to source community input. All ISOs interviewed by the ANAO considered that they were able to inform the community organisations about changes within DHS services and programs. The extent to which information obtained from the

community was able to influence DHS' approaches to service delivery featured less consistently during interviews.

2.23 The allocation of ISOs is not calculated or prescribed on the basis of the size of the Indigenous population in a particular service zone or service centre, although a budget co-efficient, linked to Indigenous transaction volumes, contributes to service zone budgets based on the number of transactions provided to Indigenous customers per zone in the previous budget period. Each Service Zone Leader, however, has discretion over the number of ISOs engaged within each zone. Some service zones advised the ANAO that they had chosen to engage more ISOs than the budget notionally provided for because Service Zone Leaders found other ways of funding the positions.

2.24 The Indigenous Services Branch (ISB) is not involved in decisions by service zones regarding their number of ISOs. This differs from DHS' Multicultural Servicing Strategy model, where the budget for and allocation of Multicultural Specialist Officers is controlled by Multicultural Services Branch. This difference between approaches to resourcing of specialist staff has been explained as 'historical', and DHS have advised that the allocations model it uses will be reviewed during 2014.

Indigenous Specialist Unit Managers

2.25 ISOs are managed, in most cases,²⁹ by Indigenous Specialist Unit Managers (ISUMs). Additionally, ISUMs are able to access and analyse data available for their location. ISUMs were one of the few DHS positions which indicated to the ANAO that analysis of local level Indigenous related data was part of their usual activities and functions. ISUMs provide a link between local management, Canberra branches such as the ISB, and the network of ISOs.

Medicare Liaison Officers

2.26 Medicare Liaison Officers (MLOs) are Indigenous specific positions designed to liaise with medical services in relation to the support provided by those services to Indigenous Australians. MLO functions are focused on communications with service providers such as General Practitioners, Aboriginal community controlled health services and chemists. The MLO role includes the promotion of Indigenous specific Medicare Benefits Schedule

29 Some ISOs report to Region Managers (EL1 level) who hold Indigenous servicing responsibilities as part of their portfolio.

(MBS) and Pharmaceutical Benefits Scheme (PBS) codes and the importance of self-identification of customers and of registration in the Medicare system. As at February 2014, there were 12 funded MLO positions, of which ten are currently filled. There were 25 MLO positions in 2009.

2.27 A review of the MLO role in 2013 has resulted in the Indigenous specific MLO functions being blended with DHS Business Development Officers (BDO), which provide universal support to medical services in relation to MBS and PBS billing issues. The potential advantage of the blending of the BDO/MLO roles is that more staff are able to support Indigenous targeted medical services. The risk is that the Indigenous focus has been diluted and the specialist capability will be lost.

2.28 The importance of providing information and support to medical practices regarding Indigenous issues and administration requirements, was reflected on in the recent Menzies School of Health evaluation of Indigenous Chronic Diseases Package (ICDP), which found that while:

[t]here is evidence in some locations of reduced financial barriers to some specialist services, ... this is variable and appears to be dependent on attitudes and practices of individual specialists and their willingness and adaptability in providing care in a way that meets the needs of local Aboriginal and Torres Strait Islander people. This variability and the lack of easily available and clear information on billing practices has been a deterrent to patients accessing specialist and allied health professional services.³⁰

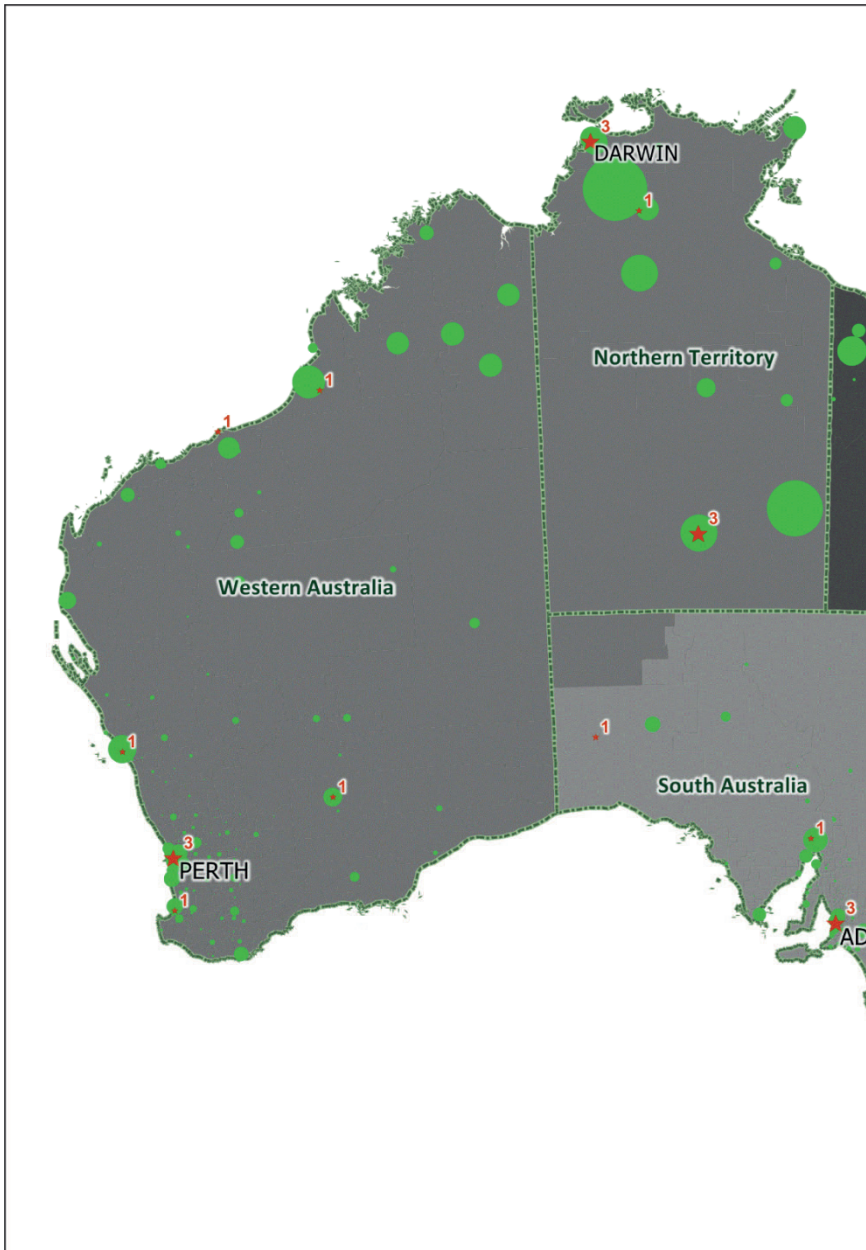
2.29 As one of the principal functions of the MLO is to improve awareness of the ICDP and other MBS and PBS measures and to support medical practices to navigate the billing process, the above assessment highlights some of the challenges for DHS in redefining the support provided by the blended MLO/BDO roles.

Distribution of Indigenous specialist staff

2.30 Using data provided by DHS, the ANAO has mapped DHS Indigenous specialist staff against DHS' Indigenous customer base. The results are represented in Figure 2.2 which shows that while Indigenous specialist staff generally matched the distribution of DHS' Indigenous customer base, there were some areas with high Indigenous customer numbers with few, or no, specialist staff.

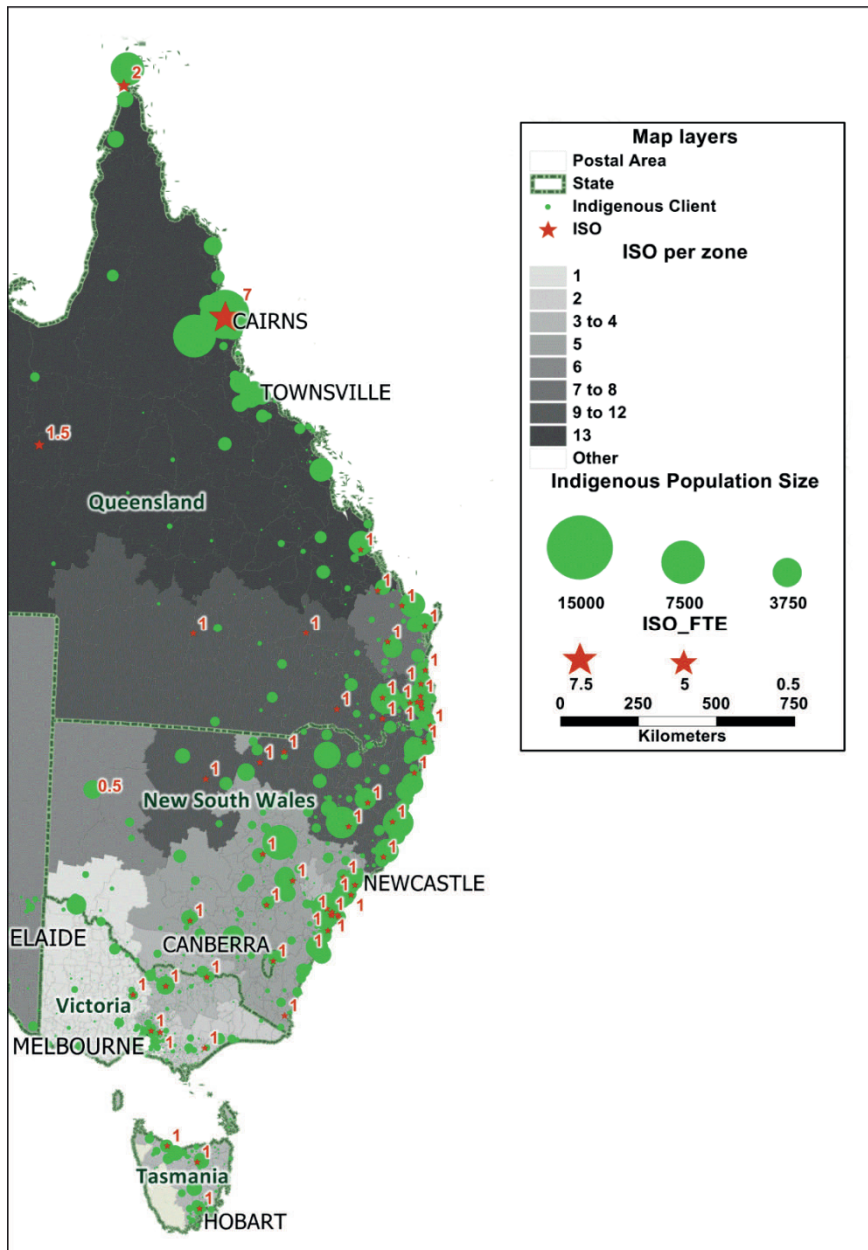
30 Menzies School of Health, *Sentinel Sites Evaluation: A place-based evaluation of the Indigenous Chronic Disease Package 2010–2012 Summary Report*, p. 22.

Figure 2.2: DHS Indigenous customers and specialist staff by zone and postcode



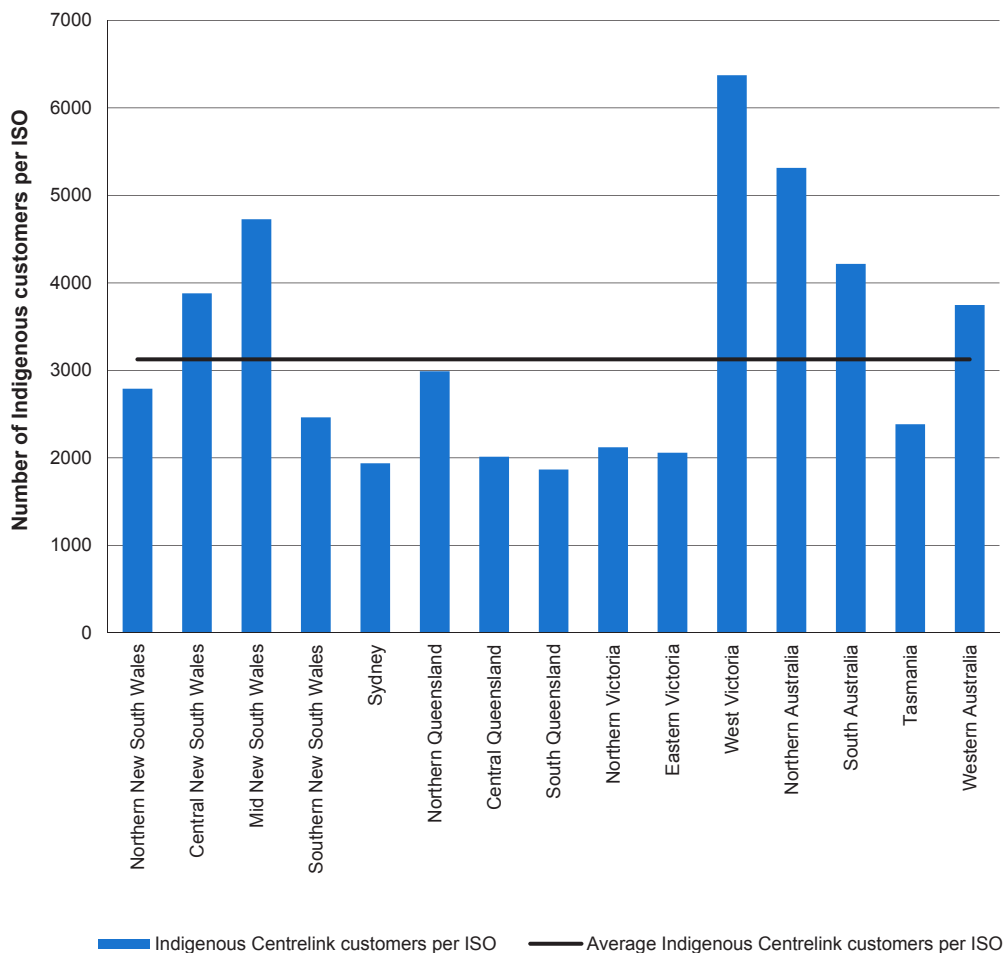
Source: ANAO analysis of DHS data.

Note: Population sites are estimated using postcodes and for postcodes covering large geographical areas the diagrammatic representation should be taken as a guide rather than a precise location of that population.



2.31 Similarly, the ratio of ISO staff to the identified Indigenous customer base varies across the service zones, as shown in Figure 2.3.

Figure 2.3: Ratio of DHS Indigenous Centrelink customers to Indigenous Specialist Officer, by service zone as at November 2013.



Source: ANAO analysis of DHS data.

2.32 Some service zones have a ratio of one ISO per 2000 Indigenous customers while one zone has a ratio of one ISO per 6000 Indigenous customers. Although there may be a range of factors which affect the extent to which Indigenous customers access services, mapping the allocation of resources against the target customer base is, potentially, a useful

preliminary step in assessing how well the department is identifying and meeting customer needs.

Indigenous specific delivery channels

2.33 The requirement for general DHS service staff to provide high quality services to Indigenous customers is challenging given the range of potential barriers Indigenous customers can encounter. As discussed in Chapter 1, DHS has identified such potential barriers and has made this information available to staff in order to inform them of these issues.

2.34 To overcome barriers to access, and in addition to the specialist support provided by the ISOs and the ISUMs, a number of specific delivery mechanisms to support Indigenous access have been implemented by DHS. Some examples of Indigenous specific access points and delivery mechanisms in DHS include dedicated telephone services, interpreter services, and including Indigenous organisations within the network of third party providers.

The Indigenous dedicated telephone service

2.35 DHS is moving increasingly to online and telephone service options. The move away from face-to-face services to telephone servicing may impact Indigenous customers in different ways, for example the high cost of mobile telephone calls for remote and low income customers. DHS advised the ANAO it has entered into a contract with a telecommunications provider for the provision of managed telecommunication services. This contract includes the requirement that per minute call charges made from mobile services within that network be waived for calls to the Indigenous dedicated phone line, among others.

2.36 The Indigenous phone number is answered by staff in a call centre. DHS advised the ANAO that the staff who answer this particular line undergo cultural awareness training and are regularly updated on any specific issues or policies which have consequences for Indigenous customers.

Interpreter services

2.37 A range of interpreter services are provided for Indigenous customers on request. This service is most commonly used by remote Indigenous customers. DHS, under the National Indigenous Interpreter Framework, contracts the Northern Territory Government to provide interpreter services through their Northern Territory Aboriginal Interpreter Service unit. The unit

has delivered the following number of interpreting hours over the past three financial years:

- 2010–11 – 8475 hours;
- 2011–12 – 8857 hours; and
- 2012–13 – 10 059 hours.

Inclusion of Indigenous organisations within the network of third party providers

2.38 The Council of Australian Governments (COAG), through the National Indigenous Reform Agreement (NIRA), requires governments to recognise when Indigenous delivery is an important contributor to outcomes (direct and indirect), and in those instances foster opportunities for Indigenous service delivery.³¹ Services to Indigenous customers, provided in a culturally safe and competent manner, in many cases can be provided by Indigenous staff and/or by Indigenous organisations. In 2012–13, DHS entered into Agents and Access Points contracts with approximately 102 Indigenous organisations. Agents and Access Points are third parties which provide services on behalf of DHS in regional and remote areas. DHS advised that its staff at the regional level also engage with community stakeholders on a range of service delivery issues. While these may not always be formal arrangements, and vary according to the region and community needs, they are an opportunity to utilise and support Indigenous networks to improve services.

Indigenous Services Branch

2.39 In order to give a greater focus to Indigenous servicing matters, DHS maintains the Indigenous Services Branch (ISB), which was initially created in Centrelink. As at March 2014, the ISB comprised of 21 staff, in five teams. The broad role of the ISB is to be the ‘subject matter expert’³² in relation to Indigenous servicing and is expected to ‘support staff in relation to all Indigenous matters’. The ISB undertakes this role in addition to some specific and targeted service responsibilities from time to time, such as ABSTUDY and Remote Jobs and Communities Program implementation. ISB plays an important role in monitoring outcomes and providing guidance and support to planning and delivery approaches across the department. This is especially relevant considering that DHS administers such a variety of services and

31 Council of Australian Governments, *National Indigenous Reform Agreement (Closing the Gap)*, p. D69.

32 DHS, *Indigenous Servicing Strategy 2012–15*, DHS, Canberra, p. 4.

payments across a number of policy portfolios, across a range of locations through face-to-face, online and telephone interactions or through third party providers.

The Indigenous Service Branch's role in developing consistent Indigenous servicing standards

2.40 The ISB does not instruct or direct the activities of the 15 service zones which engage directly with DHS customers. However the ISB is active in communicating with a wider range of decision-makers, including Service Zone Leaders, Region Managers and Service Centre Managers, either directly or through the network of Indigenous Specialist Unit Manager (ISUMs) and Indigenous Specialist Officers (ISOs). Additionally, given its function and Indigenous focus, ISB is also able to initiate communication with other non-service areas of DHS including, for example, policy design and IT divisions. The reception to ISB's initiatives varies, and the impact of and focus on Indigenous servicing is to a large extent dependent on the approach taken at service zone and service centre levels. Some Service Centre Managers interviewed by the ANAO demonstrated an understanding of the Indigenous Servicing Strategy (ISS) and its objectives and appeared to 'buy in' to the need for dedicated effort and approaches to meeting Indigenous customer needs. Others gave it less prominence, and considered that 'everyone should get the same treatment'.

2.41 While variability is unsurprising in the context of the range of locations and programs DHS administers, service standards are influenced by the language, culture and priorities set by leadership within the organisation. The ANAO interviewed eight Service Centre Managers, some of whom advised the ANAO that they did not need to know who their local Indigenous population was or what their issues were, on the basis that DHS provided the same standard of service to which everyone was entitled. Others noted that it was important for them to understand their Indigenous customer base but generally relied on the ISO to identify specific issues. A number of Service Centre Managers advised the ANAO that the ISS had not had an impact on the way they ran their centre or on their operational priorities. By contrast, some Centre Managers were aware of the ISS and had taken steps to implement its objectives.

2.42 The ISS and the ISB are key mechanisms in seeking to ensure a consistently high standard of Indigenous servicing is achieved within DHS. In a context where flexibility and local autonomy is seen as desirable, the

consistent achievement of a 'minimum standard' is supported by a quality assurance function to identify and address areas of underperformance. The aspirations, principles and goals set out in the ISS facilitate a quality assurance role for ISB although it's role is not currently described as such. Nonetheless ISB plays a quality assurance role in a number of ways including:

- (a) the Annual Conversations, held with Service Zone Leaders and divisions and branches of DHS, in relation to planning and performance in the context of the ISS;
- (b) monitoring the consideration of Indigenous servicing priorities in business plans developed by DHS divisions and service zones. ISB provides feedback to the service zones and divisions about various aspects of their plans; and
- (c) escalating issues to key decision-making committees within the department, and participating in the DHS Customer Committee.

2.43 ISB provides support to 'bottom up' initiatives, and seeks to influence the quality of outcomes via the network of ISUMs and ISOs, and staff at various levels of the department by providing them with access to data, newsletters, and facilitating and encouraging awareness and communication on key issues. The network of ISOs also assists ISB to gather information regarding performance issues. ISB's national perspective allows it to collate information on national trends or issues and escalate these as required.

2.44 The ISB would be better equipped to progress a quality assurance function if data showing comparative usage and trends between Indigenous and non-Indigenous customers in various service zones, or at the national level for health or child support related programs, was available to it. Access to and use of data is further discussed in Chapter 3.

2.45 DHS considers that the ISS model, supported by ISB, has, to some extent, successfully influenced key decision-makers at the service zone level, but is yet to show consistent evidence of a significant impact at the division and branch levels. More formally articulating a quality assurance function for ISB may assist in reinforcing the view that achieving high quality provision of services to Indigenous customers is a responsibility shared across the whole department.

Conclusion

2.46 Overall, DHS' approach to facilitating planning for Indigenous servicing is supported by reasonable governance systems and structures and, appropriately seeks to facilitate action across a range of different aspects of the department's operations. The existence of a specialist Indigenous services branch combined with the National Indigenous Coalition contribute to reducing the risk of Indigenous expertise being lost within a universal service delivery model. The development of the Indigenous Servicing Strategy provides a platform for promoting Indigenous service delivery across the department. The strategy establishes a guiding principle for divisions of DHS and service zones to specifically incorporate Indigenous issues into their annual planning processes. This is supported by the ISB through annual formal discussions, the provision of templates and advice and monitoring of plans.

2.47 Fostering a broad capability to provide high standards of service to Indigenous customers is important given that these customers access services via universal service delivery mechanisms. DHS has developed a number of initiatives in this regard including training, and dedicated telephone and interpreter services. These are complemented by a number of key Indigenous specialist functions, including Indigenous specialist staff and the Indigenous Services Branch.

2.48 DHS anticipated that attention to Indigenous servicing would cascade through a number of layers of planning, from divisional, branch and service zone planning, through to regional and service centre plans. In practice, while most divisions and branches referenced Indigenous issues, (although at times with limited detail) this did not flow through to regions and service centres with front line servicing responsibilities. Less than half of the 122 regional/service centre business plans that the ANAO sampled made reference to Indigenous servicing and few addressed the 'People' and 'Understanding' goals of the ISS.

2.49 Planning for Indigenous servicing is a focus of discussions between service zones, branches and divisions and the ISB, however the quality of planning for Indigenous servicing varied across the service zones, and across business areas of the department. There is scope to increase the consistency and visibility of planning and resource allocations for Indigenous servicing.

3. Data Collection and Analysis to Support Indigenous Service Delivery

This chapter outlines approaches to analysis of data to support Indigenous servicing in place in Centrelink, Medicare and Child Support areas of the Department of Human Services, and the range of Indigenous identification processes used.

Introduction

3.1 The Council of Australian Governments (COAG), in agreeing to the National Indigenous Reform Agreement in 2008, identified that accurate data on the Indigenous customer population and levels of access to services was required to support better decision-making. Use of data to analyse Indigenous servicing is made more complex by a number of factors including: the identification of Indigenous population; the diversity of services and delivery mechanisms across various areas of the Department of Human Services (DHS); and the requirement to maintain privacy of customer data between the various program areas of DHS.

3.2 The Australian Public Service Commission Capability Review of DHS in August 2012 noted that:

[DHS] gathers lots of transactional data which is used for ‘performance management’. However, this data is not aggregated in a useful way for strategic decision making nor is the department gathering outcome-related data systematically. This fundamentally limits the department’s ability to contribute at the policy table and needs to be addressed through a more systematic approach to information management and end-to-end processes that link in with the data capabilities of partner agencies and that adequately incorporate feedback from the DHS Network.³³

3.3 In 2011 when Centrelink, Medicare and Child Support were amalgamated to form DHS, the department committed³⁴ to ensuring that this new arrangement would not result in changes in the way sensitive personal data was being shared between these previously separate entities without the consent of the customer. This commitment is reflected in the current DHS

33 Australian Public Service Commission, *Capability Review Department of Human Services*, August 2012, APSC, p. 14.

34 Department of Human Services, *Submission to the Senate Community Affairs Committee Inquiry of the Human Services Legislation Amendment Bill 2010*, 1 March 2011.

Privacy Policy³⁵, which states that customers' personal information will not be shared across DHS' service areas unless the customer has given consent, or that the sharing of customer information in this way is authorised or required by law or the use is otherwise permitted by the Australian Privacy Principles.³⁶

Identifying Indigenous customers

3.4 Self-identification as an Aboriginal or Torres Strait Islander is a voluntary act of the customer, and can occur at multiple points in time and in different ways. The voluntary nature of identification means that the data available to DHS is unlikely to be complete. However the data available on those customers who do choose to identify, is nonetheless valuable to guide resource allocation decisions and in the design and approaches to service delivery. There are a number of ways for DHS customers to identify themselves as Indigenous. These reflect the different ways programs within DHS collect information, which is sometimes specifically required by the policy department³⁷, and at other times by DHS' need to understand the customer profile and to allocate resources. Analysis by DHS suggests that actual Indigenous Centrelink, Medicare and Child Support customer numbers are not accurately reflected in the available customer population data, due to the voluntary nature of identification.

3.5 Within Centrelink and Child Support the initial customer interview is the key point when staff are required to ask customers if they wish to identify as Indigenous. The more frequent contact points involved in Centrelink services provide additional opportunity for staff to facilitate voluntary identification. DHS advised that there are currently around 670 000 Centrelink customers (or 9.7 per cent of the total Centrelink population) who are recorded as not answering the Voluntary Indigenous Indicator (VII) question.³⁸ Some staff in Centrelink and Child Support are reportedly uncomfortable asking customers the Indigenous identification question and therefore do not ask it.

35 DHS Privacy Policy available at <http://www.humanservices.gov.au/customer/information/privacy>.

36 The Australian Privacy Principles allow the sharing of personal information only if a 'general situation' or 'health situation' exists which justifies the sharing of that data, and that the data has been 'de-identified' prior to being shared.

37 DHS delivers a number of Australian Government payments and services on behalf of other departments. These departments are referred to as 'policy departments' and are discussed further in paragraph 1.13.

38 This proportion is higher than the general level of non-identification in the national Census. In the 2011 Census, Indigenous status was not provided by approximately one million people, representing 5 per cent of the total Australian population.

3.6 Medicare uses multiple Indigenous identification processes, however the principal mechanism is the VII question on the Medicare enrolment form. This provides Indigenous people with the option to identify at the point of registration, and for usage of all Medicare Benefits Schedule (MBS) and Pharmaceutical Benefit Scheme (PBS) benefits to be identifiable as Indigenous or non-Indigenous. Additionally some payments, such as the Indigenous Chronic Disease Package (ICDP), including the PBS co-payment measure, provide options for identification at the General Practice visited by the patient.

3.7 The different approaches to identifying Indigenous status across DHS are shown in Table 3.1.

Table 3.1: DHS’ different approaches to identifying Indigenous status

	Centrelink	Medicare	Child Support	CRS
Is it compulsory for staff to ask the Indigenous identifier question at the initial engagement?	Yes	Yes	Yes	No
Is the Indigenous identifier question prompted on forms subsequently used/seen by the customers	Yes	No	No	No
Can staff prompt or initiate the identifier question subsequent to the initial engagement?	No	Yes	Yes	No
Can customers update or change their status at any time including through self-service?	No*	Yes	No	No

Source: ANAO analysis of DHS documentation.

Note: Centrelink customers can update their Indigenous identity status at any time but due to system limitations are unable to make this change via online services.

3.8 The range of databases used by DHS and the various approaches to Indigenous identification makes the use of data and comparison difficult. Additionally, different program areas approach the timing for review and the potential to update the Indigenous status of customers in different ways. DHS advised the ANAO that it is in the process of developing a VII Implementation Plan in order to improve the accuracy of customer identification.

Internal information sharing system

3.9 In recognition of the potential value derived by sharing appropriate contextual and performance information the department has made use of its intranet, and in particular its Management Information Wiki site (MI Wiki). DHS released Indigenous specific pages of the MI Wiki in May 2012 to facilitate internal access to data which can be sorted to suit the needs and interests of different users. For example, data can be arranged by service zone, to allow analysis of trend in Indigenous uptake of payment types by zone, or alternatively trends can be analysed at a national level. Data for Indigenous customers can be viewed via the MI Wiki pages by the following categories:

Centrelink

- customer demographics
- self-service
- debts
- deductions (Centrelink and Rent Deduction Scheme)
- participation

Medicare

- Indigenous customer populations
- links to statistics on Indigenous specific billing items

Child Support

- Indigenous customer populations
- Indigenous customer populations

3.10 The Indigenous MI Wiki pages also contain links to general Medicare (MBS and PBS) and Child Support data. Also incorporated in the Indigenous MI Wiki are Centrelink program zone dashboard reports, which provide a snapshot of various elements of Centrelink servicing over time, and a brief analysis of how these servicing elements are tracking each month. Indigenous Service Unit Managers, and some Indigenous Service Officers, interviewed by the ANAO, advised that they regularly accessed data through the Indigenous MI Wiki pages and found it valuable for their roles, particularly as it provides data which can be filtered by service zone and service centre.

3.11 The data that DHS holds often relates to personal and/or sensitive customer information, such as a customer's Indigenous identification, date of birth and a range of personal health and employment related data. DHS is required to manage this data with care and with respect to the particular consent given by the customer. The DHS Privacy Policy requires that data be de-identified prior to it being shared across departmental program areas. However once it is de-identified it can, in many cases, be shared for analysis by other parts of the department if required.

Use of Indigenous data within Centrelink

3.12 Centrelink's primary operational function is to deliver a variety of government funds and services to Indigenous customers and non-Indigenous customers. As noted in paragraph 1.17, Centrelink provides services or payments to over 45 per cent of the total Indigenous population. DHS has committed to providing 'equitable services to all Australians including Aboriginal and Torres Strait Islanders' however, the comparative use of services and payment types is not broadly used to assess relative levels of access or equity. While the MI Wiki provides useful information about the Centrelink services and payments accessed by Indigenous Australians it does not, for the majority of payments and services, provide comparative data relating to Indigenous and non-Indigenous customers.

3.13 DHS has identified some internal constraints to accessing comparative data. These include:

- the number of databases where data is stored;
- the format of data not being uniform to easily facilitate comparative analysis in some cases;
- the 'need to know principle' limits, in some cases, other areas' access to non-Indigenous data; and
- the size of the databases, particularly when non-Indigenous data is included.

3.14 An example of how comparative Indigenous and non-Indigenous data can be useful to inform service delivery is shown in Table 3.2. This shows that a number of Centrelink payments or services where Indigenous customer usage or claim rates vary considerably, particularly when compared to the Indigenous customer base of 3.79 per cent. While there is likely to be a range of reasons behind Indigenous customers' uptake of various payments or services,

the absence of readily available comparative data means that the trigger to evaluate why variations between Indigenous and non-Indigenous uptake exist, is absent.

Table 3.2: Percentage of Indigenous recipients for a sample of payment and service types in 2012–13 financial year

	Percentage of Indigenous recipients (%)	Percentage of non-Indigenous recipients (%)	Percentage of recipients who did not identify (%)
All Centrelink benefits	3.8	91.3	4.9
Special Benefit	1.5	84.7	13.8
Mobility Allowance	2.2	91.3	6.5
Bereavement Allowance	1.7	87.8	10.6
Dad and Partner Pay	1.5	94.0	4.5
Parental Leave Pay	1.2	97.4	1.4
Deductions made by Centrelink customers via Centrepay	19.3	76.2	4.4

Source: ANAO analysis of data provided by DHS.

3.15 This data may simply reflect low demand for these payment types by Indigenous customers, or that these payment types are poorly promoted by DHS to Indigenous customers. As data demonstrating comparative variation between Indigenous and non-Indigenous usage is not regularly extracted, DHS advised that it had not undertaken any analysis as to the cause of these variations.

3.16 ANAO analysis also shows that, comparatively, Indigenous customers in receipt of unemployment benefits who fail to participate in scheduled training, interviews or appointments have had their 'participation failure' applied³⁹ at an increasingly higher rate than non-Indigenous customers. Table 3.3 shows rates of application of participation failures to Indigenous and non-Indigenous customers between 2007–08 and 2012–13.

39 Failure to attend a scheduled training event, interview or appointment (that is, to participate) is categorised and recorded as a "participation failure". A participation failure can be recorded by a Job Services Australia agent or by DHS staff. If the customer has an acceptable reason the failure is not 'applied' to their record. If there is no acceptable reason for non-participation then the failure is 'applied' to the customer record. The accumulation of 'applied failures' is relevant and tracked by DHS. On receipt of three applied failures the customer is considered to have a "serious failure". A 'Serious Failure' results in an eight week non-payment period.

Table 3.3: Percentage of participation failures which are applied to the customer record

Year	Indigenous (%)	Non-Indigenous (%)
2007–08	33	39
2008–09	19	28
2009–10	23	25
2010–11	41	39
2011–12	53	49
2012–13	62	55

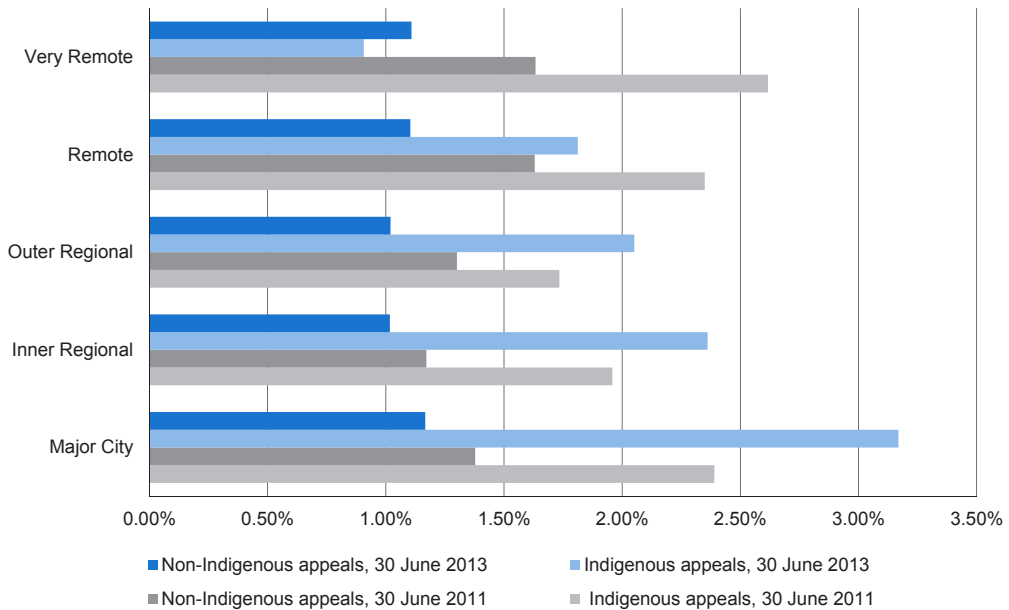
Source: Data provided by DHS.

3.17 DHS advised that between 2007 and 2013 there was a progressive strengthening of job seeker compliance policy for both Indigenous and non-Indigenous customers, including changes to the ‘remote exemption’⁴⁰ policy. Over this six year period Indigenous customers increasingly had a higher percentage of their failures applied to their customer record. While the rates of applying participation failures increased for both non-Indigenous and Indigenous customers the rates relating to Indigenous customers increased from 33 per cent to 62 per cent, whereas for non-Indigenous customers the rates increased from 39 per cent to 55 per cent.

3.18 Analysis of comparative data may also be useful to address or correct commonly held views. For example anecdotal views expressed by some DHS staff to the ANAO included that Indigenous customers were less likely to appeal decisions than non-Indigenous customers. ANAO analysis shows that as a percentage of customers in regular receipt of Centrelink payments Indigenous customers were more likely to appeal decisions made, and that this was more evident in urban areas than in remote areas. Figure 3.1 shows appeals made by Indigenous and non-Indigenous customers over the period 2010–11 and 2012–13.

40 Remote exemptions are exemptions to the unemployment benefit activity test for those living in remote communities where chances of employment are greatly reduced.

Figure 3.1: Appeals data, by Indigenous status and remoteness, from 2010–11 to 2012–13



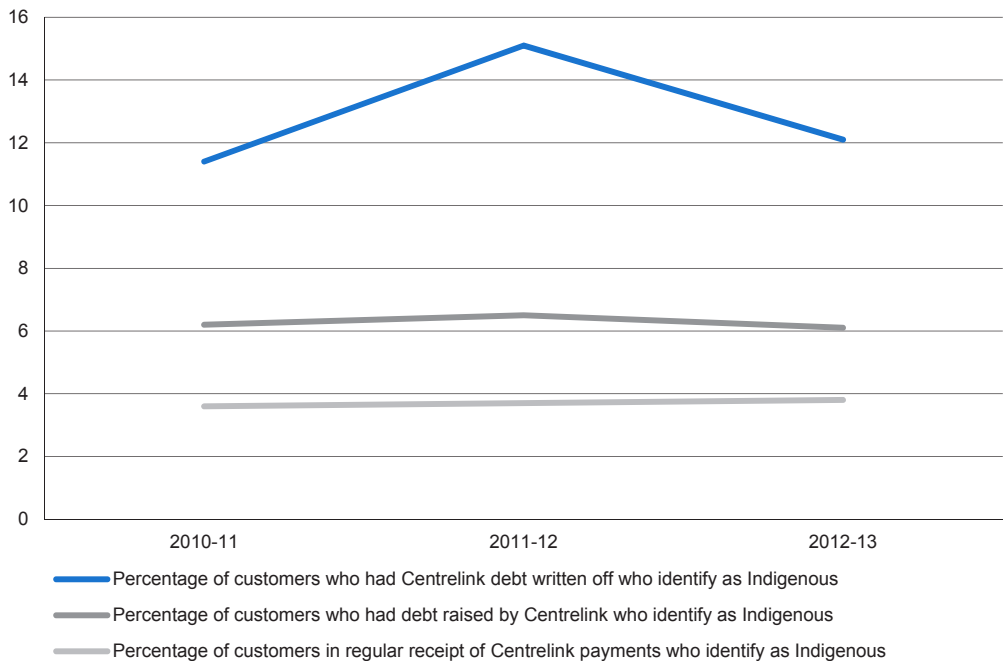
Source: ANAO analysis of DHS data.

Note: This graph reflects the overall trends and variation between Indigenous and non-Indigenous customer appeals, rather than the absolute figures due to the data’s limitations. These limitations include:

- customers who had not self-identified as Indigenous or non-Indigenous were excluded;
- those customers whose remoteness status was unknown were excluded;
- in some cases the number of customers to appeal may have been counted twice, this is due to the data originating from two different appeal types; and
- the number used to calculate the overall population base, and therefore derive the percentage from, is limited to Centrelink payments that have been identified by the ANAO as being the most regular payment types and does not incorporate every payment type administered by Centrelink.

3.19 While there was a reasonable level of awareness among DHS staff interviewed by the ANAO, that Indigenous debt levels were an important issue, there was limited awareness of how Indigenous debt compared to non-Indigenous debt. Figure 3.2 shows that by comparison, with the percentage of customers in regular receipt of Centrelink payments who identified as Indigenous, Indigenous customers were more likely to have a debt raised by DHS than non-Indigenous customers, over the period 2010–11 to 2012–13. Understanding that debt is disproportionately high for Indigenous customers may prompt staff to take steps to reduce the potential for debt by providing or sourcing more accurate and/or complete information.

Figure 3.2: Percentage of Centrelink customers with debts who are Indigenous from 2010–11 to 2012–13



Source: ANAO analysis of data provided by DHS.

Assessing Indigenous access to the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme

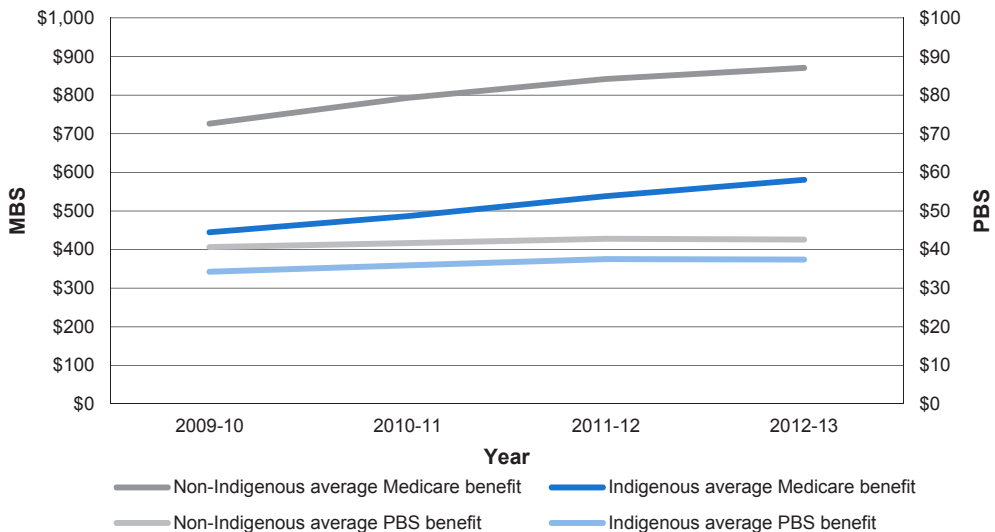
3.20 The Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS) are key components of the Australian public health system. Policy responsibility for the MBS and PBS sits with the Department of Health. DHS’ Indigenous Servicing Strategy includes a goal of increasing Indigenous customer access to the MBS and PBS and DHS has staff with a specific focus on supporting Indigenous customer access to universal programs including the MBS and the PBS. The extent to which this goal is monitored is limited. DHS uses Integrity Reviews to examine and review the systems and procedures it adopts in administering MBS and PBS. Integrity Reviews are used to identify and understand where systemic risks exist and to consider issues such as program management, performance indicators and the mechanisms of disseminating of information to key partners and stakeholders. DHS advised that none of the 20 Integrity Reviews undertaken by DHS since January 2011 made any reference to Indigenous access to MBS or PBS, nor explicitly

considered the issues impacting on Indigenous access to the services supported or provided by DHS.

3.21 Notwithstanding complexities arising from the privacy issues described in paragraph 3.3, DHS holds data which, if analysed, would allow a comparison of Indigenous MBS and PBS claims to non-Indigenous claims, by location and remoteness. Such an analysis would facilitate a more detailed understanding and facilitate a more targeted response in those location where access was comparatively low, and where Indigenous populations were high. This data is not extracted or analysed on a regular basis.

3.22 DHS was able to provide the ANAO with de-identified data showing the average amount of PBS benefits claimed per service across all postcode areas, for both Indigenous and non-Indigenous customers. Figure 3.3 shows that the non-Indigenous average Medicare benefit claimed is significantly higher than the Indigenous average Medicare benefit claimed. It also shows that the average PBS benefit claimed per service is higher for non-Indigenous people than for Indigenous people.

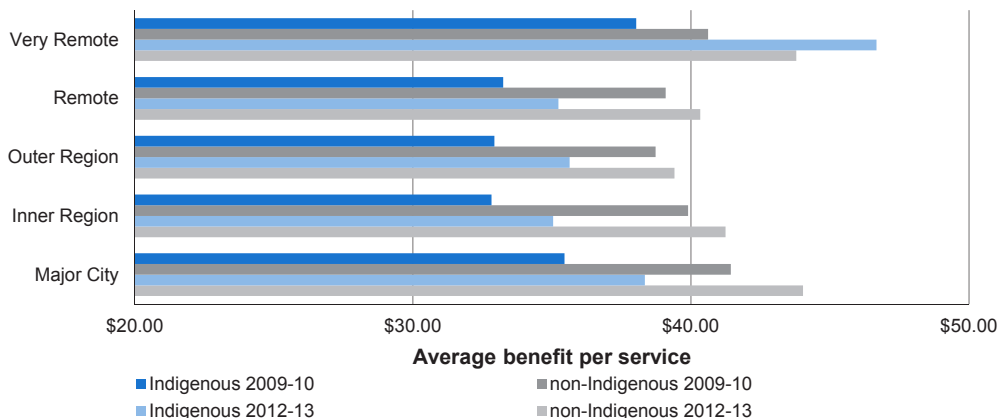
Figure 3.3: Average Medicare benefit claimed per customer and average Pharmaceutical Benefits Scheme benefit claimed per service for Indigenous and non-Indigenous categories between 2009–13



Source: ANAO analysis of DHS data.

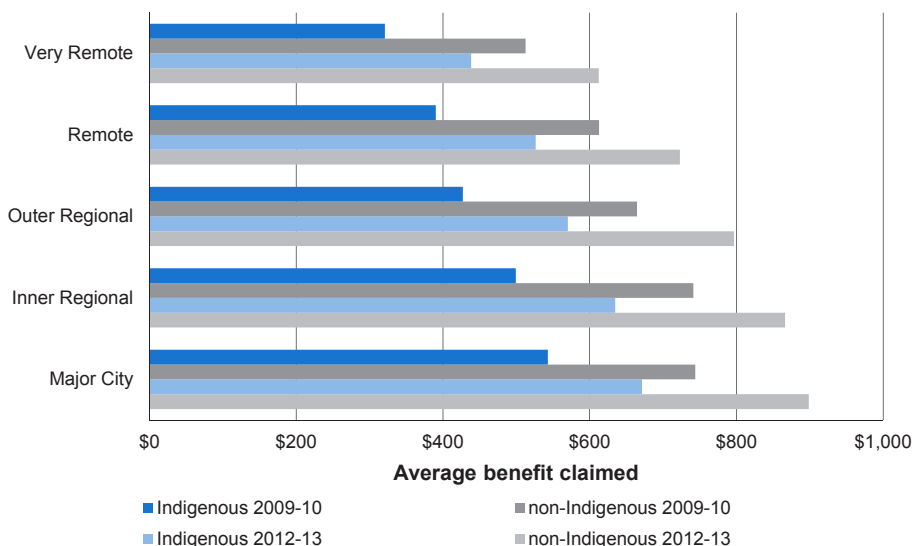
3.23 Analysis of benefits claimed by Indigenous and non-Indigenous customers indicates that a similar pattern generally exists across the different categories of remoteness.

Figure 3.4: Comparison of average Pharmaceutical Benefits Scheme benefit per service for Indigenous and non-Indigenous between 2009–10 and 2012–13 by remoteness



Source: ANAO analysis of DHS data.

Figure 3.5: Comparison of average Medicare benefits claimed for Indigenous and non-Indigenous people between 2009–10 and 2012–13 by remoteness



Source: ANAO analysis of DHS data.

3.24 There has been an overall increase in the average MBS and PBS. However there is still a gap between Indigenous and non-Indigenous customer benefits, including in urban areas where the majority of the Indigenous population live.

Recommendation No.1

3.25 In order to improve the department's capability to support outcomes for Indigenous Australians, the ANAO recommends that DHS review the extent to which data is accessed and analysed to inform Indigenous service delivery, service design and contribute to policy development, and reduce the barriers to its use.

DHS' Response

3.26 *Agree. The Department of Human Services (the department) notes that it is one of many contributors to Indigenous policy development. Policy development is the responsibility of policy agencies, including the Department of the Prime Minister and Cabinet.*

3.27 *The department welcomes this report, and considers that implementation of its recommendation will enhance the department's ability to inform Indigenous service delivery, service design and policy development, resulting in better servicing to Indigenous Australians.*

3.28 *In response to the report, the department will:*

- *Review the extent to which data is accessed and analysed to inform Indigenous service delivery, service design and contribute to policy development, and reduce the barriers to its use. The review will be completed by December 2014.*
- *Initiate a review of Indigenous customer outcomes, using longitudinal data analysis. This work will look at the welfare dependency and other outcomes of Indigenous and non-Indigenous customers across various programmes. Scoping of the project will commence in July 2014, including determining a completion date.*
- *Implement a communication strategy to raise the profile of Cultural Awareness training within the department and explore developing suitable training evaluation measures by September 2014.*

Indigenous servicing in Child Support

3.29 Child Support facilitates a mechanism whereby separated couples with children are able to transfer funds from one parent to another, with a view to ensuring that resources are available to the parent with responsibilities for care and maintenance of the child. As this is a process of transferring funds from parent to parent, rather than from the government to a citizen, the mechanisms and processes for Child Support differ from other DHS processes.

3.30 Data provided to the ANAO by DHS shows that Indigenous Australians are twice as likely as non-Indigenous Australians to be a customer of Child Support. Indigenous Child Support customers are more likely to have arrears owing (to the other parent), but the amount of the arrears is likely to be lower for Indigenous customers than for non-Indigenous customers. Table 3.4 shows the usage rate of Indigenous Child Support customers and non-Indigenous Child Support customers.

Table 3.4: Ratio of Indigenous Child Support customers and non-Indigenous Child Support customers

	Indigenous	Non-Indigenous
Percentage of total Child Support customer base	5.6%	94.4%
Percentage of total population as per census	2.5%	97.5%
Percentage of customers with child support debts	41.0%	29.0%
Average value of child support debt	\$4585	\$5843

Source: ANAO analysis of data provided by DHS.

3.31 Use of a Voluntary Indigenous Identifier (VII) has recently been added to the Child Support application form, which is likely to lead to ongoing improvements in data on Indigenous customer numbers and locations. Child Support has also recently provided cultural awareness training to all its customer engagement staff with a view to increasing the accuracy and level of communication in the initial interviews.

Contributing to policy development and service design

3.32 DHS has committed to improving its contribution to policy development and has recognised its important role in influencing policy and service design across the Australian Government. The department's Strategic Plan 2012–16 states that:

The aim is to make the department an influential part of policy and service design across the Australian Government. This will provide us with greater quality and alignment for the services we deliver and lead to stronger service outcomes.

3.33 While Indigenous people make up a relatively small proportion of the overall Centrelink and Medicare customer base, 3.4 per cent and 1.5 per cent respectively, DHS provides services to a significant proportion of the total Indigenous population as shown in Table 3.5.

Table 3.5 Proportion of Indigenous population utilising DHS services

	Indigenous population	Total population	Indigenous as a percentage of customer population (%)	As a percentage of the total Indigenous population (%)
Centrelink	248 955	7 359 634	3.4	45
Medicare	337 662	20 756 885	1.5	62
Child Support	75 585	1 328 096	5.6	13

Source: ANAO analysis of DHS and Census data.

Note: The 2011 Census calculated Australia's Indigenous population to be 548 323, or 2.5 per cent of Australia's total population.

3.34 Indigenous usage is a potential indicator for accessibility and the effectiveness of services more generally. In view of the high percentage of the Indigenous population with whom DHS engages, the department is well positioned to influence Indigenous policy and service design across government. While DHS currently seeks to measure the quality of its engagement with other departments and its contribution to policy discussions, there is currently no mechanism to assess the extent to which this contribution takes advantage of the department's understanding of Indigenous service delivery issues to inform Indigenous related policy development.

3.35 The analysis of service delivery to particular population groups can identify service approaches which can be applied to other situations and groups. For example, the analysis of the impact of multiple generations of passive welfare dependence, while initially receiving a high profile based on the circumstances of Indigenous welfare recipients, has led to broader reforms now applied to non-Indigenous people at risk of welfare dependency. Other examples of how a focus, innovation or service quality, developed in an

Indigenous servicing context, has been applied more broadly by DHS are provided in Table 3.6.

Table 3.6: Examples of initiatives to improve Indigenous service delivery which provide potential benefits to universal servicing

Birth Certificates – Anecdotal evidence suggests that Indigenous people are more likely than non-Indigenous people to not have a birth certificate. There are a number of known reasons which contribute to this. Not having a birth certificate is a barrier to accessing services, including DHS online secure self-service (a birth certificate is required to set up a log on identity). It is also a potential barrier to range of other Commonwealth and state services, such as getting a drivers licence. DHS has commenced an initiative to liaise with the state government agencies which provide birth certificates. Better access to birth certificates (new or replacements) for vulnerable customers has potential benefits which are broader than the Indigenous community. Homeless people, who are not Indigenous, may benefit from this initiative which has its origin in Indigenous servicing.

Voice recognition and telephone services – If voice recognition and telephone servicing can work in remote areas and in communities where many people speak English as a second language, it can be reasonably expected to work in most places for most people. A voice recognition system allows customers to verbally respond to an automated menu of choices when conducting routine business with the department over the telephone. One Indigenous servicing project currently underway in DHS is to promote the development of options to use ‘push buttons’ for common service requests on the current voice recognition line for Income Management, such as ‘check account balance’ and ‘check date of next payment’ etc. If this option is successfully developed there are opportunities to apply the approach more broadly across other customer groups where voice recognition software does not function effectively.

Source: DHS.

Conclusion

3.36 Being able to readily identify particular customer groups and analyse relative trends in access to, and use of, services is an important aspect of service delivery. There are some inherent limitations to fully identifying DHS’ Indigenous customer base which flow from advice of Indigenous status being a voluntary act at the customer’s discretion. Reflecting that DHS was formed through the amalgamation of several pre-existing service delivery agencies, different areas of DHS also have different approaches to the timing and mechanisms for customers to be prompted for their Indigenous status. Notwithstanding this complexity, DHS is able to reasonably estimate and identify the level of Indigenous usage of its particular services. While Indigenous customers make up around 3 per cent of DHS’ total customer base, a large proportion of Australia’s Indigenous population receive services through DHS. Centrelink alone has over 248 000 Indigenous customers, or 45.4 per cent of Australia’s total Indigenous population.

3.37 Service delivery data can be an important source of information which agencies can analyse, within existing policy and legal requirements, to better understand aspects of service use and relationships with other services in order to improve service delivery approaches and coverage. DHS is relatively well-placed in terms of being able to analyse relevant data. For example, existing business systems enable identification of various customer demographics for Centrelink, including overall customer base, usage by DHS service zone and remoteness category, the extent of self-service access and debt levels. Similarly, Medicare data systems can identify the Indigenous customer population and statistics on the usage of all Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS) billing items including a number of Indigenous specific billing items. The extent of analysis of existing data varies between the different business areas of DHS, and some legislative requirements prevent the sharing of some data between different parts of DHS. As a result, while there has been some effort to enable data sharing across the department, information is not always easily accessed by potential users.

4. The Indigenous Servicing Strategy's Performance Measures

This chapter examines the performance measures adopted by the Department of Human Services in the Indigenous Servicing Strategy to monitor its performance in service delivery to Indigenous Australians.

Introduction

4.1 Reporting on performance provides entity managers with information to enable assessments to be made about progress towards strategy objectives or organisational priorities, and can indicate areas that may require further management attention. In relation to service delivery functions performance reporting is most effective when it incorporates clearly stated objectives and well defined and relevant targets. Performance indicators should be selected that appropriately reflect objectives and allow for an overall assessment, including through proxy measures if necessary, of progress against targets. As noted in paragraph 2.4, The Department of Human Services (DHS) has made Indigenous servicing 'everybody's business' and has sought to take a departmental-wide approach to improving service delivery for Indigenous people as part of a commitment to providing equitable and accessible services to all Australians. The Indigenous Servicing Strategy (ISS) sets out a range of measures through which the department seeks to gauge its performance in developing internal capacity in relation to Indigenous servicing and the provision of quality services that meet the needs and expectations of Indigenous customers.

Objectives of the Indigenous Servicing Strategy

4.2 Overall, the ISS aims to support the Australian Government's Closing the Gap strategy to reduce Indigenous disadvantage by focusing attention on DHS' delivery of services and establishing priorities to guide the department's approach. More specifically, the organisational purpose of the ISS is to provide clear strategic direction to DHS staff involved in the delivery of services to Indigenous customers. As discussed in paragraph 2.2, three overarching strategic goals have been developed for the ISS under the heading of 'People', 'Understanding' and 'Customer Service Delivery'.

4.3 The 'People' goal seeks to improve the capability of the department and the strategies under this goal align with the department's Aboriginal and Torres Strait Islander Employee Plan. A key focus of both that plan and the 'People' goal is the recruitment and retention of Indigenous staff, including by making the department a supportive workplace for Indigenous staff and by increasing and supporting their employment circumstances.

4.4 The 'Understanding' goal also aims to contribute to improving the department's capability in Indigenous service delivery. In particular it seeks to increase the level of understanding of, and respect for, the 'cultural identities and experiences' of Indigenous Australians and to ensure that this awareness is reflected throughout service delivery across the department.

4.5 The 'Customer Service Delivery' goal has the aim to provide 'quality services that are accessible to, and recognise the diverse needs, preferences and expectations of, Aboriginal and Torres Strait Islander customers'. This goal has six sub-goals, as follows:

- deliver high quality services that are accessible to all Aboriginal and Torres Strait Islander people;
- improve access to Human Services payments, programs and services for Aboriginal and Torres Strait Islander customers living in all locations across Australia;
- promote engagement of DHS' Indigenous customers to encourage economic and social participation;
- improve access to affordable, effective and culturally appropriate health services that meet the needs of Aboriginal and Torres Strait Islander people;
- improve educational support for Aboriginal and Torres Strait Islander people; and
- improve payment accuracy and reduce Aboriginal and Torres Strait Islander customer debt across all master programs.

Each of these sub-goals identifies a number of approaches and related performance measures. Three of these sub goals are explicitly linked to specific Australian Government Closing the Gap targets.

4.6 The objectives of the ISS have been defined clearly by DHS and the linkages to broader government policy and departmental strategy are also

appropriately identified. Overall the ISS provides appropriately clear direction about organisational priorities in relation to Indigenous servicing. The integration of goals for the internal staff capability and for quality of service delivery is also a useful approach.

Indigenous Servicing Strategy targets and performance indicators

4.7 In order to assess their performance, it is important that entities set appropriate targets and measure progress using appropriate performance indicators. The ANAO examined the ISS performance measures, both individually and as a set, to determine whether they provide a reasonable basis on which to assess achievement of the department’s goals as set out in the ISS and presented in Table 4.1.

Table 4.1 The Indigenous Servicing Strategy strategic goals and their associated performance measures

Strategic goal	Performance measure
People	
Develop the capability of the department to provide a workplace which recognises and acknowledges the cultural and situational differences by Aboriginal and Torres Strait Islander employees	<ul style="list-style-type: none"> • Aboriginal and Torres Strait Islander employee satisfaction • percentage of Human Services staff who identify as Aboriginal and/or Torres Strait Islander (target 5 per cent)
Understanding	
Increase all Human Services staff members’ awareness of and respect for the cultural identities and experiences of Aboriginal and Torres Strait Islander peoples to ensure that this awareness is reflected within all service delivery	<ul style="list-style-type: none"> • number and percentage of Human Service staff who have undertaken a cultural awareness training program

Strategic goal	Performance measure
Customer Service Delivery	
Provide quality services that recognise the diverse needs, preferences and expectations of our Aboriginal and Torres Strait Islander customers:	
a) deliver high quality services that are accessible to all Aboriginal and Torres Strait Islander people	<ul style="list-style-type: none"> • Indigenous customer satisfaction
b) improve access to Human Services payments, programs and services for Aboriginal and Torres Strait Islander customers living in all locations across Australia	<ul style="list-style-type: none"> • number of customers who identify as Aboriginal or Torres Strait Islander • number and proportion of Aboriginal and Torres Strait Islander customers using self-service channels • number of Aboriginal and Torres Strait Islander customers using interpreters • number of child support applications from Aboriginal and Torres Strait Islander customers
c) promote engagement of DHS' customers to encourage economic and social participation	<ul style="list-style-type: none"> • number of Aboriginal and Torres Strait Islander activity tested customers (job seekers) • number of participation failures incurred by Aboriginal and Torres Strait Islander customers • number of Aboriginal and Torres Strait Islander job seeker commencements, job placements, 13 week and 26 week outcomes with CRS Australia
d) support the improvement of access to affordable, effective and culturally appropriate health services that meet the needs of Aboriginal and Torres Strait Islander people	<ul style="list-style-type: none"> • use of Indigenous specific billing items in the Medical Benefits Schedule • number and value of Medicare claims for people who have identified as Aboriginal and Torres Strait Islander • number of practices registered for Closing the Gap chronic health initiatives
e) improve educational support for Aboriginal and Torres Strait Islander people	<ul style="list-style-type: none"> • number of customers receiving ABSTUDY • number of customers referred to language, literacy and numeracy programs
f) debt prevention and management – improve payment accuracy and reduce Aboriginal and Torres Strait Islander customer debt across all Master Programs	<ul style="list-style-type: none"> • Indigenous debt levels across all Master Programs

Source: DHS.

4.8 There has only been one reporting cycle completed since the ISS was adopted in June 2012 and the Indigenous Servicing Strategy Annual Report 2012–13 was submitted to the department’s Executive Committee in September 2013. This report identified several instances where DHS had performed favourably against its performance measures (against results from June 2012). A selection of these is shown below (see Appendix 2 for a full list of performance measures and the reported performance against each of these):

- a large increase in the number of departmental staff who have completed cultural awareness training (from 1352 staff⁴¹ in June 2012 to 8609 staff in June 2013), attributed to the introduction of Indigenous cross-cultural awareness eLearning modules and to the delivery of face-to-face training to Child Support staff;
- a 9.2 per cent increase in the number of Indigenous people registered for Medicare services;
- an 18.6 per cent increase in the use of Indigenous specific billing items in the Medicare Benefits Schedule⁴²;
- a 14.4 per cent increase in the number of registered practices for Closing the Gap chronic health initiatives;
- a 20.1 per cent increase in Centrelink Indigenous self-service users, and an increase in the proportion of Indigenous Centrelink customers using self-service channels from 40.2 per cent to 46.2 per cent; and
- a 13.1 per cent increase in the number of hours of interpreter services used, attributed to the introduction of Income Management in new Indigenous areas.

4.9 A key commitment made by DHS is to support the provision of ‘equitable and accessible services’ to all Australians including Indigenous Australians, and the ISS was established to support the department to achieve this through improved Indigenous service delivery. The 14 performance measures in the ISS which specifically relate to service delivery mainly reflect quantitative indicators of Indigenous servicing provided by the department. As a set however, they are unable to indicate the extent to which services

41 June 2012 count is an extrapolated figure based on only six months of information from the 2011–12 financial year.

42 June 2012 count is an extrapolated figure based on only six months of information from the 2011–12 financial year.

provided are either equitable or accessible because baselines establishing the existing levels of access and the extent to which that access is equitable have not been developed.

4.10 As outlined in Chapter 3, the department collects data which, if analysed, would provide an indication of Indigenous customers' usage of services compared to non-Indigenous usage. There is potential that this data could be used to measure the degree to which DHS' services and payments are equitably accessed by Indigenous and non-Indigenous customers, however currently there are no measures in the ISS that seek to use comparative data.

4.11 In relation to developing program information for Portfolio Budget Statements, the Department of Finance guidance notes that comparability is an important characteristic of performance indicators when government services are targeted at specific populations, and in those circumstances the indicators should facilitate comparisons between the target populations.⁴³ While the ISS is an internally focused strategy, rather than a program, this principle is relevant and comparability between Indigenous customers and non-Indigenous customers would provide additional insight to the department's performance.

4.12 The ANAO observed that each performance measure in the ISS is aligned with one of the ISS' three strategic goals, and there is a reasonable coherence between these measures and DHS' strategic goals. The indicators developed for the ISS' three strategic goals could, however, be improved upon if they are to more fully reflect the department's performance. In respect to the 'People' goal, the measures are reasonable, and provide the department with relevant information about the department's workplace. With respect to the 'Understanding' goal, the performance indicator is simply a measure of the number of people who attended training, rather than a true indicator of the extent to which DHS staff are well equipped to support customers with specific Indigenous backgrounds and cultures. The indicators developed for the 'Customer Service Delivery' goal are predominantly measures of usage, which, in the absence of context or additional information, such as comparative usage levels or benchmarks, will not fully inform the department about the extent to which services to Indigenous Australians have improved, or are meeting customer needs, as intended.

43 Department of Finance and Deregulation, *Performance Information and Indicators*, Finance, October 2010, p. 2.

4.13 Overall, while the performance measures were clear, concise and mainly measurable, the general absence of benchmarks and targets makes monitoring achievement of performance more difficult. Only one of the 17 performance measures sets a benchmark or target which was to achieve an Indigenous employment target of five per cent across the department. Additionally, as noted in paragraph 4.9, no baselines have been established on which to measure and compare the impact of its strategies, despite DHS possessing data to do so.

4.14 The ISS is a relatively recent initiative and it would be useful for the department to develop a mechanism to assess the extent to which the strategy is achieving its specific purpose of informing and providing direction to DHS service staff. While the department is able to receive informal feedback from staff about the effectiveness of the strategy in providing direction to staff, periodic formal feedback would provide useful information about the current approach. This is particularly relevant given the wide range of responses to the ISS by service delivery staff interviewed by the ANAO, as reflected in paragraphs 2.40 and 2.41.

4.15 In general, the ISS performance measures provide a reasonable basis on which to assess various aspects of the department's achievements, but would benefit from the addition of formal benchmarks/targets and timelines, as well as the establishment of baselines against each performance indicator could be assessed. The ability to compare Indigenous specific deliverables and outcomes with non-Indigenous comparative indicators would increase the relevance of data to stakeholders. The inclusion of some qualitative performance measures would also allow a more balanced account of how the program is performing against its goals.

Conclusion

4.16 Clearly stated and agreed performance measures allow assessments to be made about progress towards strategy objectives or organisational priorities. The department has established reasonable overarching arrangements to measure its performance in Indigenous servicing through the development of the Indigenous Servicing Strategy and its performance measures. The range of items measured under the strategy is comprehensive and is aligned to the overall goals of the strategy which in turn is linked to broader government policy in relation to reducing Indigenous disadvantage. It is also positive that the department has sought to integrate measures of its

internal capability with measures relating to service delivery. The performance framework established in the strategy is a positive step in terms of taking a departmental-wide view of performance, however, generally the framework does not include baseline data against which progress could be assessed or specific timeframes for the achievement of agreed results. The development of a set of performance measures which better reflect progress against the department's objective of providing equitable and accessible services, including the balanced use of qualitative and comparative indicators, would assist the department in assessing the impact of the strategy over time.



Ian McPhee

Auditor-General

Canberra ACT

19 June 2014

Appendices

Appendix 1: Agency response



Australian Government
Department of Human Services

Kathryn Campbell CSC
Secretary

Ref: EC14/167

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

Dear Dr Pope 

Thank you for the opportunity to comment formally on the proposed 'section 19' report arising from the Australian National Audit Office's (ANAO) performance audit of Department of Human Services' Initiatives to Support the Delivery of Services to Aboriginal and Torres Strait Islanders, dated 7 May 2014.

The Department of Human Services (the department) agrees with the ANAO's recommendation.

Attachment A to this letter details our overall response to the proposed report and recommendation.

Attachment B outlines some further comments for the attention of the Auditor-General. These are not intended for publication in the final report.

If you would like to discuss the department's response, please do not hesitate to contact Ms Roxanne Ramsey, General Manager, Indigenous, Regional and Intensive Services.

Yours sincerely



Kathryn Campbell

4 June 2014

Attachment A

Response to the section 19 report on the performance audit of Department of Human Services' Initiatives to Support the Delivery of Services to Aboriginal and Torres Strait Islanders.

Recommendation No.1

In order to improve the department's capability to support outcomes for Indigenous Australians, the ANAO recommends that DHS review the extent to which data is accessed and analysed to inform Indigenous service delivery, service design and contribute to policy development, and reduce the barriers to its use.

DHS response:

Agree. The Department of Human Services (the department) notes that it is one of many contributors to Indigenous policy development. Policy development is the responsibility of policy agencies, including the Department of the Prime Minister and Cabinet.

The department welcomes this report, and considers that implementation of its recommendation will enhance the department's ability to inform Indigenous service delivery, service design and policy development, resulting in better servicing to Indigenous Australians.

In response to the report, the department will:

- Review the extent to which data is accessed and analysed to inform Indigenous service delivery, service design and contribute to policy development, and reduce the barriers to its use. The review will be completed by December 2014.
- Initiate a review of Indigenous customer outcomes, using longitudinal data analysis. This work will look at the welfare dependency and other outcomes of Indigenous and non-Indigenous customers across various programmes. Scoping of the project will commence in July 2014, including determining a completion date.
- Implement a communication strategy to raise the profile of Cultural Awareness training within the department and explore developing suitable training evaluation measures by September 2014.

Appendix 2: Indigenous Servicing Strategy Performance as reported by DHS

Performance Measure	Result for June 2012	Result for June 2013
Aboriginal and Torres Strait Islander employee satisfaction	<i>Percentage of Indigenous employees satisfied with their current job</i> 69%	No current data available
Percentage of Human Services staff who identify as Aboriginal and/or Torres Strait Islander (target 5 per cent)	3.2%	3.4%
Number and percentage of Human Service staff who have undertaken a Cultural Awareness training program	<i>Number</i> 1352* <i>Percentage</i> -	<i>Number</i> 8609 <i>Percentage</i> Tier 1 training – 14.41%**** Tier 2 training – 9.57% Tier 3 training – 0.03%
Indigenous customer satisfaction	58.8%***	68.3%
Number of customers who identify as Aboriginal or Torres Strait Islander	<i>Centrelink</i> 236 911 <i>Medicare</i> 337 662 <i>Child Support Program</i> 75 585 <i>CRS Australia</i> 1174	<i>Centrelink</i> 248 955 <i>Medicare</i> 368 727 <i>Child Support</i> 72 972 <i>CRS Australia</i> 961
Number and proportion of Aboriginal and Torres Strait Islander customers using self-service channels	<i>Number of current users</i> 95 269** <i>Proportion of total Indigenous customers</i> 40.2%	<i>Number of current users</i> 115 040** <i>Proportion of total Indigenous customers</i> 46.2%
Number of Aboriginal and Torres Strait Islander customers using interpreters	<i>Number of interpreter hours used for 2011–12</i> 8857	<i>Number of interpreter hours used for 2013–14</i> 10 019
Number of child support applications from Aboriginal and Torres Strait Islander customers	-	-
Number of Aboriginal and Torres Strait Islander activity tested customers (job seekers)	87 586	85 666

Performance Measure	Result for June 2012	Result for June 2013
Number of participation failures incurred by Aboriginal and Torres Strait Islander customers	112 108*	150 802
Number of Aboriginal and Torres Strait Islander job seeker commencements, job placements, 13 week and 26 week outcomes with CRS Australia	<i>Commencements</i> 1134*	<i>Commencements</i> 1026
	<i>Job Placements</i> 548*	<i>Job Placements</i> 454
	<i>13 week outcomes</i> 368*	<i>13 week outcomes</i> 356
	<i>26 week outcomes</i> 292*	<i>26 week outcomes</i> 299
Use of Indigenous specific billing items in the Medical Benefits Schedule	<i>Medicare services provided – Indigenous-specific billing items</i> 121 900*	<i>Medicare services provided – Indigenous-specific billing items</i> 144 618
Number and value of Medicare claims for people who have identified as Aboriginal and Torres Strait Islander	-	-
Number of practices registered for Closing the Gap chronic health initiatives	2989	3418
Number of customers receiving ABSTUDY	35 988	36 644
Number of customers referred to language, literacy and numeracy programs	4454*	4424
Indigenous debt levels across all Master Programs	<i>Total</i> \$118.18 million	<i>Total</i> \$120.21 million
	<i>Average</i> \$3598	<i>Average</i> \$3605

Source: Indigenous Servicing Strategy Annual Report 2012–13.

* Extrapolated result based on six months of information from the 2011–12 financial year.

** For Centrelink customers only.

*** July 2012 result, rather than June 2012.

**** Data only represents three quarters of the year, as training only became operational in October 2012.

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