



**NACCHO**

National Aboriginal Community  
Controlled Health Organisation  
*Aboriginal health in Aboriginal hands*

[www.naccho.org.au](http://www.naccho.org.au)

# The Productivity Commission's Draft Indigenous Evaluation Strategy

**SUBMISSION**

August 2020

## About NACCHO

**NACCHO** is the national peak body representing 143 Aboriginal Community Controlled Health Organisations (ACCHOs) Australia wide on Aboriginal and Torres Strait Islander health and wellbeing issues. NACCHO's work is focussed on liaising with governments, its members and other organisations on health and wellbeing policy and planning issues and advocacy relating to health service delivery, health information, research, public health, health financing and health programs. Our Members provide about 3.1 million episodes of care per year for about 350,000 people across Australia.<sup>1</sup>

**Sector Support Organisations, also known as Affiliates**, are State based and also represent ACCHOs offering a wide range of support services and Aboriginal and Torres Strait Islander health programs to their Members, including governance training and advocacy on State and Territory Government health care policies and programs.

Affiliates also support ACCHOs to deliver accessible, responsive and culturally safe services for Aboriginal and Torres Strait Islander people. The leadership and support provided by Affiliates strengthens governance and financial expertise in the Aboriginal and Torres Strait Islander community- controlled health sector. Affiliates provide a strong interface for the Aboriginal and Torres Strait Islander community- controlled health sector with the national reform agenda occurring in the health system. Together, NACCHO and Affiliates harness better coordinated, more cohesive and cost-effective mechanisms for stakeholder and community engagement on Aboriginal and Torres Strait Islander health issues, and provide advice to State, Federal and Territory Governments.

**ACCHOs** range from large multi-functional services employing several medical practitioners and providing a wide range of services to small services which rely on Aboriginal Health Workers/Practitioners and/or nurses to provide the bulk of primary care services, often with a preventive, health education focus. Our 143 ACCHOs operate approximately 700 facilities, including about 450 clinics. ACCHOs and their facilities and clinics contribute to improving Aboriginal and Torres Strait Islander health and wellbeing through the provision of comprehensive holistic primary health care, and by integrating and coordinating care and services. Many provide home and site visits, medical, public health and health promotion services, Allied Health, nursing services, assistance with making appointments and transport, help accessing childcare or dealing with the justice system, drug and alcohol services; and providing help with income support.

Across the sector we employ about 6,000 staff, 56 per cent of whom identify as being of Aboriginal and/or Torres Strait Islander descent, which makes us the second largest employer of Aboriginal and Torres Strait Islander people in the country.

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<sup>1</sup> About NACCHO, 2019, <https://www.naccho.org.au/member-services/why-acchs-are-needed/>

## Introduction

Thank you for this opportunity to make a submission in response to your draft Indigenous Evaluation Strategy (the Strategy) and Guide to Evaluation (the Guide). In developing our submission we have consulted and received valued input from the Coalition of Peaks and a range of NACCHO Affiliates, including Aboriginal Medical Alliance Northern Territory (AMSANT), Queensland Aboriginal and Islander Health Council (QAIHC) and Victorian Aboriginal Community Controlled Health Organisation (VACCHO). Individual submissions may also be provided by Affiliates and NACCHO member organisations.

## Context for comments

In April 2019, Treasurer Frydenberg tasked the Productivity Commission to prepare a Whole-of-Government Indigenous Evaluation Strategy.

It is important to note this request was made two months prior to the ANAO publishing its performance audit on the effectiveness of the Government's design and implementation of the evaluation framework for the Indigenous Advancement Strategy (IAS).<sup>2</sup> ANAO found that:

- *Five years after the introduction of the IAS, the department (PM&C) is in the early stages of implementing an evaluation framework that has the potential to establish a sound foundation for ensuring that evaluation is high quality, ethical, inclusive and focussed on improving the outcomes for Aboriginal and Torres Strait Islander peoples.*
- *The department's [PM&C] implementation and management of the IAS evaluation is partially effective. Management oversight arrangements are developing, and evaluation advice provided to program area staff has been relevant and high quality. The department has not developed a reliable methodology for measuring outcomes of the framework and its evaluation procedures are still being developed.*
- *Planning and design for the Strategy was concluded in a seven-week timeframe, which limited the department's ability to fully implement key processes and frameworks, such as consultation, risk management and advice to Ministers, as intended.*

The announcement of the new IA Strategy in May 2014 together with the savings target of \$534.4m caused much angst across Aboriginal and Torres Strait Islander communities nationally as did its implementation. The Federal Government reorganised its funding programs and associated bureaucracy for the support of Indigenous Australians without most being aware it was happening let alone being consulted, and then took a massive save to its budget as well. The majority of Aboriginal and Torres Strait community-controlled organisations were told that the funding commitments made by the previous Government would not be honoured and they had to reapply for funding under the IAS, causing a serious disruption to service delivery to Aboriginal and Torres Strait Islander people.

The poor development and implementation of the IAS including failing to design an evaluation strategy to determine its impact is the backdrop to the Productivity Commission's task of developing a Whole of Government Indigenous evaluation strategy. The serious failures that attended the development and implementation of the IAS, including with respect to its evaluation ought not be forgotten and are relevant to assessing the merit of the Productivity Commission's strategy.

Nonetheless, NACCHO supports the development of a strategy. It is very important, however, that the problems that were identified by the ANAO through successive audits with respect to the IAS are

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<sup>2</sup> Auditor General - Evaluating Aboriginal and Torres Strait Islander Programs – 18 June 2019 (url: <https://www.anao.gov.au/work/performance-audit/evaluating-indigenous-programs>)

not repeated and that the evaluation strategy responds to the legitimate concerns of the Aboriginal and Torres Strait Islander community-controlled sector. Crucially, the Productivity Commission's evaluation strategy must have the support of this sector including NACCHO before it is agreed to by the Federal Government.

## **Comments**

### *Justification for an Indigenous Evaluation Strategy*

The Aboriginal and Torres Strait Islander community-controlled sector was alert to the problems around evaluation in the Commonwealth linked to the governance failures that attended the IAS. It continued to raise concerns from 2014 onwards that evaluations of Indigenous programs in the Commonwealth were not soundly based, did not allow for sufficient input by the community-controlled sector and occurred on an ad-hoc and inconsistent basis across Federal Government agencies.

To state the Strategy provides a unique opportunity for the Government to work with Aboriginal and Torres Strait Islander people to better evaluate policies and programs and achieve the shared goal of improving the lives of Aboriginal and Torres Strait Islander people is misleading. It ignores the serious governance failure that accompanied the establishment of the IAS by the Federal Government, and comes with the implication that the existing funding allocated for Indigenous programs is adequate.

### *Overview*

It is not clear in the Strategy whether it is seeking to evaluate policies or the types of policies. Is it intended the Productivity Commission is recommending an evaluation strategy of an elected Government's policies or is it proposing an evaluation strategy for the developed policies of Government agencies? This needs to be clear in the final strategy.

Whilst the Strategy recognises that primary responsibility for evaluations should remain with Australian Government agencies, it goes on to state that independence and objectivity can be promoted by commissioning an external evaluator or having a central evaluation unit manage and conduct evaluations. To this end the Strategy promotes the establishment of a new Office of Indigenous Policy Evaluation (OIPE) which would be guided by an Indigenous Evaluation Council (The Council). An important question is whether these new bodies will have a statutory basis.

Such an approach does not take into account the substantial cost involved for Agencies needing to continue to manage their responsibilities, for example the National Indigenous Australians Agency (NIAA), or the substantial costs involved in establishing and operating the new OIPE and its Council.

These new arrangements have the potential to reduce the accountability of Government Agencies as well as for the Aboriginal and Torres Strait Islander organisations they fund and increase workloads including duplication.

As with other major changes of the magnitude of the suggested approach, it will take time depending on whether legislation is required. As a minimum it will take a couple of years which is not conducive to the implementation of the new National Agreement recently agreed between the Coalition of Peaks (COP) and the Commonwealth, States, Territory and Local Governments.

The proposed Office seems to replicate the failed Office of Indigenous Policy Coordination (OIPC), which sat within the Department of Immigration and Multicultural and Indigenous Affairs and was formally disbanded in August 2011. A May 2006 evaluation conducted for OIPC found that a paradigm shift was needed in the way government agencies interacted with Aboriginal communities. This paradigm shift is embedded in the new National Agreement which took another 14 years to achieve

Whilst acknowledging the new National Agreement, the proposed list for Government-wide evaluation priorities sits at cross-purposes with the National Agreement outcomes and particularly the need to focus on the priority reforms going forward rather than the targets.

It would not be appropriate for either OPIE or the Council presumably selected by the Productivity Commission to be determining the priorities for evaluation given there are 50 members of the Coalition of Peaks who are accountable under the new Agreement.

In addition, Aboriginal and Torres Strait Islander organisations are already subject to excessive levels of scrutiny and reporting by governments. NACCHO Affiliates comprehensively understand the key issues facing ACCHOs, including with regards to the burden of reporting, inadequate funding, with VACCHO identifying these and other burdens and challenges in its submission to the Issues Paper for the draft Evaluation strategy last year.

#### *State, Territory and Local Governments*

Most Aboriginal and Torres Strait Islander organisation receive funding from a range of sources including State, Territory and Local Governments and private sector companies. Their funding can sometimes be in partnership with Commonwealth funded programs and/or contribute to outcomes. There does not appear to be any consideration of how this issue is to be addressed in the draft Evaluation strategy.

#### *NACCHO perspective*

NACCHO supports a whole-of government approach to evaluation and that evaluations should be rigorous across all aspects including planning and design, selection, and conducting the work, and done in partnership with Aboriginal and Torres Strait Islander representatives. However, establishing another agency (in this case the proposed Office of Indigenous Policy Evaluation) in an independent statutory authority, such as the Productivity Commission, will not achieve this and instead it will take more resources and responsibilities away from the community-controlled sector. It is not a new idea and after ATSIC was dismantled, its Office of Evaluation and Audit was put into the Department of Finance and then ANAO, but this failed too.

A more effective response, particularly to the failure of governance with respect to evaluation of Indigenous programs which occurred with the introduction of the IAS, is to update the Commonwealth's Public Governance and Performance Accountability Act 2013 to provide a framework for the evaluation of Government grants and procurement activity across the board with provisions that require a whole-of-government approach with respect to Indigenous programs.

From NACCHO's perspective, serious concerns have been raised in the past about the way in which the Department of Health has conducted evaluations related to our sector. However, its approach has improved changed substantially in the past few years despite all of the confusion caused by the creation of the troubled IAS. These improvements include:

- Co-design of the evaluation of the Indigenous Health program;
- Co-design of the response to congenital syphilis outbreak and the COVID-19 virus;
- Involvement of NACCHO in the negotiations on the 7th CPA and;
- Sector wide representation on the development of the revised Health Plan

There is room for further improvement in the way the Department of Health conducts its evaluation of Indigenous health programs. Importantly, the National Agreement on Closing the Gap should be used to secure further improvements and particularly implementing the 4 priority reforms together with the sector.

## **Key Points for Indigenous Evaluation Strategy**

Any proposed Indigenous Evaluation Strategy must:

- align with the National Agreement on Closing the Gap and its four Priority Reforms
- be supported by the Aboriginal and Torres Strait Islander community-controlled sector
- be simple and streamlined, with minimal bureaucracy and red tape
- avoid replicating past mistakes (for example the Office of Indigenous Policy Co-ordination)
- ensure accountability for achieving ongoing health and wellbeing outcomes for Aboriginal and Torres Strait Islander people remains with the Ministers and government departments that set policy directions and provide funding.

## **Longer Term**

The Productivity Commission needs to be prepared to enter into a formal partnership with the Aboriginal and Torres Strait Islander community-controlled sector for all its work in connection with Aboriginal and Torres Strait Islander people. This is envisaged in the jurisdictional actions for Priority Reform one in the National Agreement on Closing the Gap.

The Productivity Commission needs to review how evaluation is done across the Commonwealth and with a view to proposing legislative reform to ensure that governance failures of the sort that occurred with respect to the introduction of the IAS are not repeated.