

The Hon. Philip Ruddock MP

Minister for Immigration and Multicultural
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Minister Assisting the Prime Minister for Reconciliation



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The Hon John Howard MP
Prime Minister
Parliament House
CANBERRA ACT 2600OFFICE OF THE PRIME MINISTER
RECEIVED IN CANBERRA

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Referred to: Colo SecPC JP CRL

Dear Prime Minister

I am writing to inform you of the outcome of the Commonwealth portfolio reviews of mainstream and Indigenous specific programs that you initiated in response to the Council of Australian Governments' (COAG) Framework to Advance Reconciliation (Cabinet Minute JH00/0331).

You wrote to Portfolio Ministers on 19 December 2000 asking them to undertake reviews to see if their programs could be made more responsive to the needs of Indigenous people. You asked that they consider the extent to which program guidelines allowed for flexible local community level responses, and the extent to which their programs were integrated with the range of other federal, state and local government programs at the local community level. In your letter to me dated 21 December 2001, you asked me to ensure that the momentum of the portfolio reviews process was not lost.

I am pleased to inform you that the portfolio reviews have been completed, with the exception of the Education, Science and Training portfolio. They have been considered by a working group comprised of officers from your department, the Aboriginal and Torres Strait Islander Commission (ATSIC), and the Office of Aboriginal and Torres Strait Islander Affairs (OATSIA) in my department. The working group found that the quality of the portfolio reviews was generally poor. Almost without exception the portfolio reviews did not consider improvements to the local responsiveness and flexibility of mainstream and Indigenous-specific programs and their coordination with other Commonwealth agencies and state and territory governments at the local level. They tended to focus on internal human resource management.

Some time has passed since the reviews were commissioned and the policy climate has changed substantially. The present focus on whole of government actions led by a regular meeting of Ministers with key interests in Indigenous policy, the establishment of the Secretaries' Group on Indigenous Issues, and the collaborative work occurring around the COAG initiated Indigenous Communities Coordination Pilots is driving a renewed enthusiasm across the public sector to address

Indigenous disadvantage. This context sees most Commonwealth agencies more willing and better equipped to constructively engage and overcome the barriers that have prevented Indigenous people from accessing and fully benefiting from the Government's programs and services.

Furthermore, by way of example, the Secretaries of Departments of Health and Ageing, and Family and Community Services have initiated major new internal business processes around the theme of making Indigenous business everybody's business. The Commonwealth Grants Commission (CGC) Report on Indigenous Funding and the Government's response to it have been influential in giving momentum to this change. Enhancements to the original COAG reconciliation agenda in April and December 2002 have also added strength to the overall strategic framework.

I believe there would be only limited value in going back to Ministers to highlight the inadequacies of their portfolio reviews. Instead, I believe there are opportunities to further the momentum established by the COAG Reconciliation Framework and portfolio view processes.

I would like to bring forward to Cabinet a zero cost package focused on ensuring all Commonwealth departments and agencies are adopting best practice when it comes to addressing Indigenous disadvantage. This package would replicate across the Commonwealth those good practice approaches that are practical and low cost. The package would also assist the Government to communicate its achievements in Indigenous affairs more effectively.

By way of example, the package could contain the following elements:

- reaffirming existing commitments and obvious framework elements, such as
 - the five policy themes I announced at the ATSIC National Policy Conference in March 2002;
 - the work of the Indigenous Communities Coordination Taskforce;
 - the commitments made in the Government Response to the CGC Report on Indigenous Funding, including the performance information the Government agreed would be in future specific purpose payments;
 - the national indicators being developed by the Steering Committee for the Review of Commonwealth State Service Provision and the performance monitoring strategies and benchmarks being developed by Commonwealth-State Ministerial Councils;
- ensuring that reviews of all mainstream programs include a term of reference in respect of Indigenous clients/outcomes (with the capacity for the Minister for Indigenous Affairs able to give an exemption to this requirement);
- in the Budget context, implementing a whole of government outcome on Indigenous policy and/or outcomes specific to those portfolios with Indigenous policy and program responsibilities. This would necessitate the development of clear objective statements, and outcomes based performance monitoring that measures actual progress. Ideally, such a process would align with COAG's request that Ministerial Councils develop benchmarks for their areas of responsibility;

Indigenous Impact Statement (Cabinet submission)

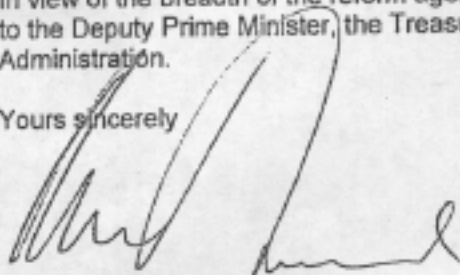
what would this do?

- exploring the possibility of a single Indigenous-specific appropriation allocated to the Minister of Immigration and Multicultural and Indigenous Affairs, who would then purchase outcomes from the various departments that currently receive Indigenous-specific appropriations; *→ role of asac (monitoring)*
- requiring all agencies to adopt a purchaser/provider model for all Indigenous-specific grants, with a focus on outcomes for the beneficiaries of the funding, and under which the service provider is accountable for the achievement of those outcomes; and
- developing Indigenous business plans in appropriate departments to drive better access for Indigenous people to mainstream programs and services.

I would welcome the opportunity to explore your views on this proposal.

In view of the breadth of the reform agenda anticipated in this letter, I have copied it to the Deputy Prime Minister, the Treasurer, and the Minister for Finance and Administration.

Yours sincerely



Philip Ruddock