Western Australian
Auditor General's Report

Delivering Essential Services to Remote Aboriginal Communities

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

Delivering Essential Services to Remote Aboriginal Communities

Report 8
May 2015

THE PRESIDENT	THE SPEAKER
LEGISLATIVE COUNCIL	LEGISLATIVE ASSEMBLY

DELIVERING ESSENTIAL SERVICES TO REMOTE ABORIGINAL COMMUNITIES

This report has been prepared for submission to Parliament under the provisions of section 25 of the *Auditor General Act 200*6.

Performance audits are an integral part of the overall audit program. They seek to provide Parliament with assessments of the effectiveness and efficiency of public sector programs and activities, and identify opportunities for improved performance.

This audit assessed how well the Department of Housing delivers power, water and wastewater repair and maintenance services to selected remote Aboriginal communities through the Remote Area Essential Services Program. The scope of this audit did not include the provision of all services to all remote communities or their sustainability.

My findings were that the Remote Area Essential Services Program delivers reliable power and water supplies to selected remote Aboriginal communities, but the quality of drinking water often falls short of Australian standards. I have identified a number of areas for improvement and have made a number of recommendations to be considered.

I wish to acknowledge the staff at the Department of Housing and other stakeholders we spoke with for their cooperation. I would particularly like to thank those in the 27 remote communities we visited as part of this audit.

COLIN MURPHY
AUDITOR GENERAL
6 May 2015

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Auditor General's Overview

There has been much public discussion about the sustainability of remote aboriginal communities. The end of Commonwealth funding for infrastructure and municipal services in those communities has been the trigger for this recent debate. My report is not about all of the communities or their futures, but I can understand that it may help to inform Parliament, government and the community in that much wider debate.

The State is faced with working out how best to take on the Commonwealth responsibilities, and to blend them with its existing essential services to remote communities. This is where my report can, I believe, have most impact.

We have reviewed the effectiveness and efficiency of the Remote Area Essential Services Program. The need for the Program will, in all likelihood, continue and could even grow regardless of the outcome of the debate around the future of some communities. We have identified areas where the Program can be delivered better and more efficiently which will, I hope, make a difference for communities and help the State adapt effectively to its increased responsibilities.

Executive Summary

Introduction

This report provides an assessment of how well the Department of Housing (Housing) delivers power, water and wastewater repair and maintenance services to selected remote Aboriginal communities through the Remote Area Essential Services Program.

We focused on the level and quality of these services provided to eligible remote communities, and how Housing managed their delivery, and its coordination with other agencies. As part of our audit we visited 27 remote communities.

The scope of this audit did not include the provision of all services to all remote communities or their sustainability.

Background

Around 15 per cent of the State's Aboriginal[1] population, or 11 400 people live in 274 remote[2] communities across Western Australia. Three quarters of these communities are permanent, with the rest seasonally or occasionally occupied.

Permanent communities vary in size from single families to around 600 at Bidyadanga south of Broome. Populations often fluctuate, sometimes more than doubling during cultural or law events. Communities also range in remoteness, from very isolated sites near State borders to those near regional centres like Kalgoorlie.

An agreement between the Commonwealth, the State and the Aboriginal and Torres Strait Islander Commission to provide housing services to eligible Aboriginal communities was signed in December 1997. These services include power, water and sewerage under the State-funded Remote Area Essential Services Program (the Program).

Housing began managing the Program on 1 January 1999. The Program:

- repairs and maintains power, water and wastewater infrastructure in eligible remote Aboriginal communities

- maintains and monitors water quality according to Australian Drinking Water Guidelines (the Guidelines) as required by the Department of Health (Health)

- trains community members to take on some essential services work.

Housing also has from time to time sought funding to replace or upgrade assets serviced by the Program.

The Program was originally aimed at larger permanent communities. It has never included all Aboriginal communities. By 2007, Cabinet had approved the inclusion of 91 communities in the Program although services to seven are suspended for various reasons including being abandoned. Forty-nine of the communities are in the Kimberley, 22 in the Pilbara and 13 in the Goldfields (Appendix 1). There are six eligibility criteria for assessing inclusion in the Program including having a normal population of at least 50 people, permanency of occupation, and the level and standard of infrastructure (Appendix 2). Currently there are several quite small communities in the Program.

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1 The term 'Aboriginal' in this report includes Aboriginal and Torres Strait Islander people.

2 A 'remote Aboriginal community' is a discrete location classified under the Accessibility/Remoteness Index of Australia and principally inhabited or intended to be inhabited by people of Aboriginal descent (*Aboriginal Affairs Planning Authority Act 1972*).

From 1999 to June 2014, the State provided Housing with a total of $244.1 million to administer the Program. A further $30 million was budgeted by Treasury for 2014-15.

The Commonwealth also funded other services to communities in the Program and to other Aboriginal communities across the State, totalling $619 million from 1997 to 2015. These included major capital works, fuel for power plants and municipal services like road maintenance, rubbish and dog control through the Municipal and Essential Services Program (MUNS). However, in September 2014 the Commonwealth announced it would stop funding services for all remote communities. The Commonwealth has provided $90 million to cover the period until funding ceases at the end of June 2016. It is not yet clear how the funding will be applied and who will assume responsibility for municipal services and capital works.

To deliver the Program, Housing uses a contracted Program Manager to supervise Regional Service Providers (Service Providers) that repair and maintain power, water and wastewater infrastructure in these communities. The current Program Manager was appointed in 2005 and is contracted to April 2016. Housing separately contracts three regionally based Service Providers for the Kimberley, Pilbara and Goldfields. Their three year contracts began in February 2013.

Service Providers visit communities to check and repair water and wastewater infrastructure and power. They also sample water monthly for quality testing. Service Providers employ community members to carry out some of this work.

Audit Conclusion

The Remote Area Essential Services Program delivers reliable power and water supplies to selected remote Aboriginal communities, but the quality of drinking water often falls short of Australian standards. Testing of wastewater systems was irregular or incomplete between January 2012 and 2014, so Housing could not be sure if they were working effectively.

Housing's current arrangements for managing the Program limit its effectiveness and efficiency. In particular, they restrict the Program Manager's effectiveness. The condition of key assets and associated future costs is not well understood, and weaknesses in coordinating services to communities means there are missed opportunities to reduce costs.

The criteria to determine eligibility for the Program have not been applied since 2008. This means that Housing does not know if the right communities are in the Program. Some communities may be receiving services they are no longer entitled to while others may have become eligible but are receiving no services.

Key Findings

The supply of water and power to communities is generally reliable. On average, interruptions to community power and water services have occurred twice a year since July 2011, which is similar to services provided in cities and towns. Service Providers respond to around 90 per cent of service disruptions within 24 hours, exceeding their minimum contract targets of 75 per cent.

Drinking water quality often does not meet Australian standards:

- Tests detected either E. coli or Naegleria microbes in at least one community in every month in the two years to June 2014. Both of these can cause serious illness and are potentially fatal. The microbes were found at least once in sixty-eight communities in the last two years, and more than eight times in four communities. The presence of these microbes means that the drinking water is non-compliant with the Australian guideline.

- In the same period, four communities exceeded safe levels of uranium in their water by up to double the level allowed for under the Australian guideline.

- Fourteen communities recorded nitrates above the safe level for bottle-fed babies under three months old in 2014.

Testing of wastewater systems between January 2012 and June 2014 to establish if they are working effectively was irregular or incomplete and failed to meet contractual requirements. The lack of testing means that Housing could not always know if wastewater systems were effective. Ineffective systems can result in blockages and even sewage overflows, which can directly impact on community health.

Poor contracting means Housing is not getting full value from the Program Manager and its $1 million a year fee. The Program Manager is contracted and paid to supervise the Service Providers. However, at times this has not happened and instead the Service Providers deal directly with Housing.

Poor oversight means there is a risk that Housing may have overpaid for services. Self-reporting by Service Providers, a lack of inspections by the Program Manager, and inconsistency in invoice and job order descriptions have created this risk. In 2013-14, invoices for all unplanned maintenance and repairs in the Program totalled $14.7 million.

Housing does not know if the right communities are in the Program as it has not applied the eligibility criteria since 2008. However, its data show that 24 of 84 communities receiving services no longer meet the population criteria of 50 people. Although it is Cabinet's decision as to which communities should receive services, Housing has a clear role in assessing eligibility to support these decisions. We note that Housing has suspended services to seven of the 91 communities in the Program.

Housing does not have an up-to-date view of the condition of Program assets which have an estimated value of $765 million. This severely limits its ability to plan effectively for asset maintenance and replacement. In March 2014, Housing began to collect all asset data using its Essential Services Asset Management System (ESAMS) as a means of ensuring consistency. At January 2015, ESAMS included key information for 28 per cent of major assets.

The remoteness of communities directly affects the cost of supporting them but better coordination of maintenance and repair for Program assets and public housing could reduce these costs. Improved planning, information sharing and coordinating by the various service delivery entities would improve efficiency in travel and on site costs, as well as reduce downtime.

Recommendations

Housing should:

- **by December 2015 have determined how it can improve water quality in remote communities to meet Australian Drinking Water Guidelines**

- **by December 2015, take steps to ensure that Service Providers' testing of wastewater systems complies with contractual requirements**

- **review its contracting of the Program Manager and Service Providers before issuing new contracts in 2016 to ensure:**

  o **clear roles and responsibilities for contractors**

  o **clear performance measures for contractors**

  o **efficient service delivery**

  o **efficient use of contractors' capabilities**

- **clarify with government the roles and responsibilities for essential services previously provided by the Commonwealth to remote Aboriginal communities**

- **ensure that communities' eligibility for Program services is subject to regular review**

- **improve its coordination of services to remote Aboriginal communities internally and with other agencies.**

Response from the Department of Housing

The Department of Housing welcomes the Auditor General's report.

In addition to its core role as a social housing provider, for many years the Department has been funded by the State to provide a repairs and maintenance service (RAESP) to essential services equipment and infrastructure in certain remote communities. Importantly, the Department does not own or operate the equipment and infrastructure. The report should be read in this context.

The area of essential services in remote communities has a complex history of funding and operational responsibility involving State and Commonwealth governments, a number of different public sector agencies and the former ATSIC. The Department's RAESP service is one component of the current arrangements for the provision and delivery of essential services to remote communities, which is made more complex by the isolated location and harsh climate that can impact service delivery.

In addition to RAESP, the delivery of essential services to remote communities has historically relied on Commonwealth funding to meet operating costs (including powerhouse fuel), and for asset replacements and upgrades.

The report acknowledges that RAESP has delivered consistent power and water supplies and the Department would like to recognise the efforts of its contracted service providers in providing reliable essential services and mitigating known risks in an environment of ageing assets and funding uncertainty. A number of findings and recommendations in the report have highlighted some opportunities to improve the administration of the RAESP service, which the Department accepts and will implement.

The Department is managing the transition of related services that are currently funded under the Commonwealth's existing MUNS program and for which the State will assume responsibility on 1 July 2015. The Department will implement actions arising from this report in conjunction with the integration of RAESP and MUNS services.

In addition to areas where the Department can improve the administration of services, the report also highlights some important issues related to the adequacy of existing essential services infrastructure to provide acceptable standards of service, in particular water quality in some communities.

While the Department takes appropriate action to address identified short term water quality risks including the supply of bottled drinking water to affected communities, a permanent solution to long term and ongoing water quality risks is outside the scope of RAESP and will require significant investment. In this regard the Department notes the unilateral withdrawal of the Commonwealth from its historical funding role.

Context and Scope

There has been vigorous public debate in recent times about the future of small remote Aboriginal communities. The debate has covered Commonwealth-State responsibilities as well as the economic and social sustainability of communities and the cultural security of community members. These are all difficult and challenging policy decisions.

However, the debate has generally recognised that remote communities will always exist and that some will always need support and service delivery from some part of government. The Program, which is the subject of this audit, is designed specifically to repair and maintain essential services to selected remote communities.

State and Commonwealth governments also provide many other services to communities, including often smaller communities outside the Program. For instance, Housing builds and maintains the houses in 120 communities, including those in the Program, and the Commonwealth has also separately funded capital works and municipal services. The provision of these services and the sustainability of smaller communities is not in the scope of this audit.
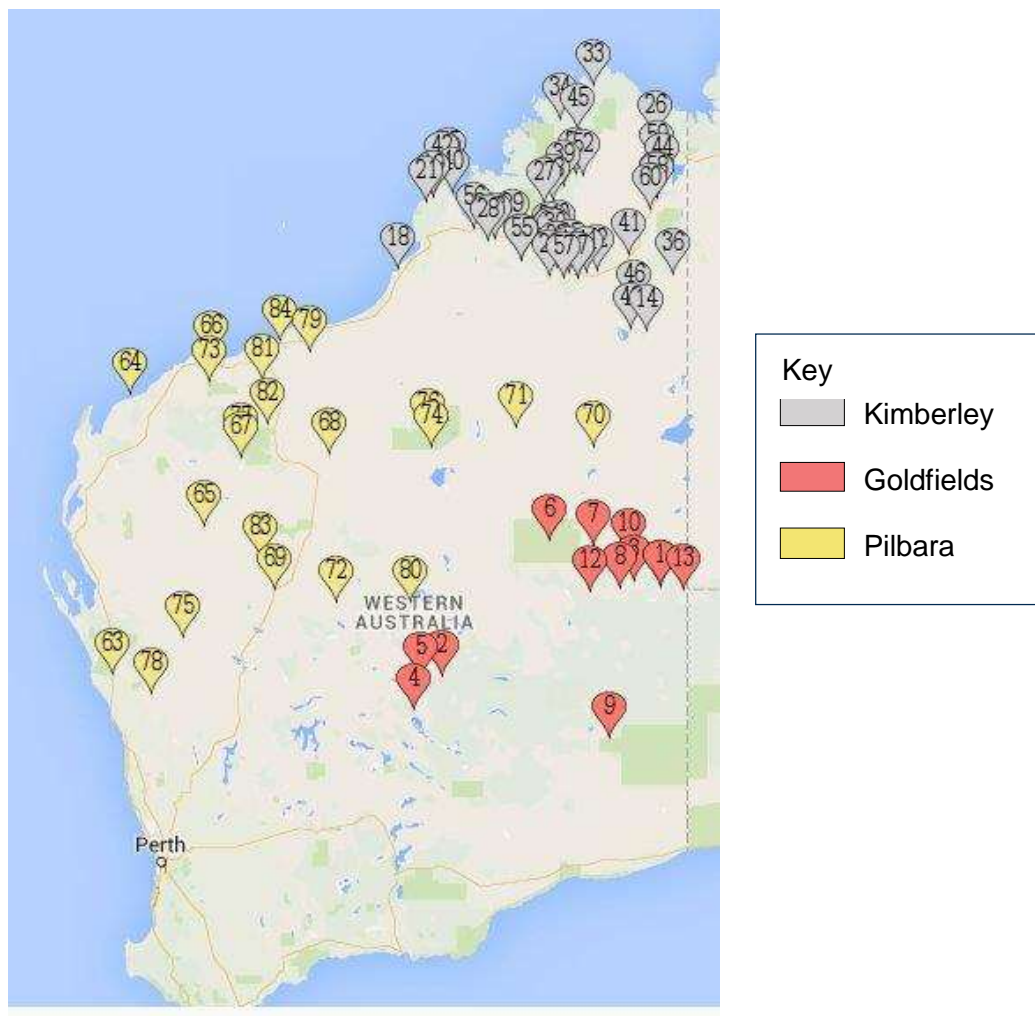
Source: OAG analysis, data from Housing

Figure 1: Program communities at 31 December 2014

Note: See Appendix 1 for community map reference.

Audit focus and scope

The focus of this audit was to assess how well the Department of Housing delivers essential services to remote Aboriginal communities through the Remote Area Essential Services Program. We focused on three lines of inquiry:

- Does the Program provide effective essential services to remote communities in accordance with relevant requirements, standards and guidelines?

- Does Housing actively manage essential services maintenance and repairs in those communities?

- Does Housing integrate its services well and coordinate them with other relevant agencies?

Our scope included Housing and its contractors delivering the Program. We conducted fieldwork in 27 remote communities in the Kimberley, Pilbara and Goldfields, and interviewed stakeholders including Health. We did not audit other services provided by Housing such as housing construction and home maintenance, nor did we audit services provided by other agencies.

We conducted the audit in accordance with Australian Auditing and Assurance Standards.

Communities have reliable power and water supply, but water quality often does not meet Australian standards

Power and water supplies are generally reliable

The key aim of the Program is to provide power, water and wastewater systems to eligible communities. In order to maintain reliable services, outages need to be fixed quickly and assets need to be maintained. The Program's target is that at least 75 per cent of power outages, water outages and sewage overflows will be responded to within 24 hours of the Service Provider being notified.

On average, there were two power and two water service outages in each community each year over the past three years (Figure 2). These results meet the Program targets and are similar to service levels provided by town and city utilities.
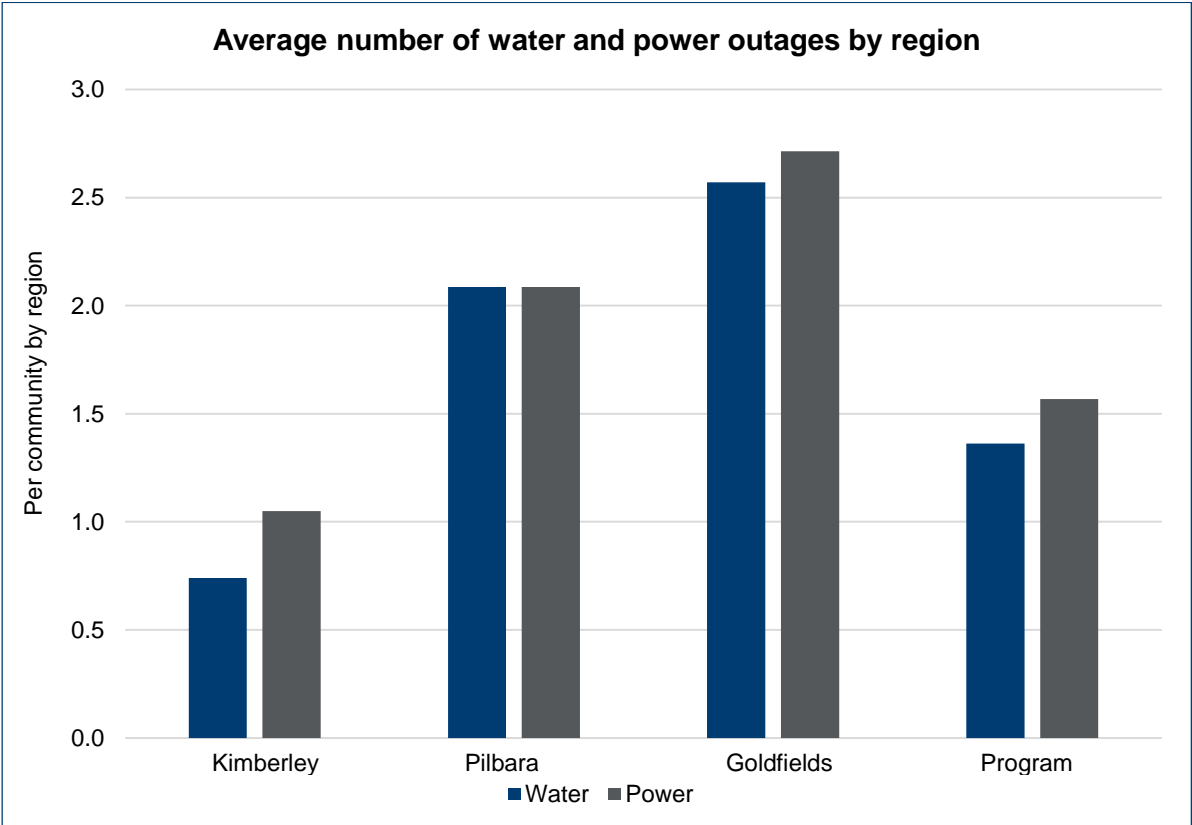
Source: OAG analysis, data from Housing

Figure 2: Water and power outages per community per year by region, 2011-12 to 2013-14

Service Providers acted on around 90 per cent of service outages within the target of 24 hours, although distance and remoteness at times make it hard to repair assets quickly (Figure 3). However, individual performance varied. For example, the Pilbara addressed service disruptions within the 24 hour timeframe around 80 per cent of the time, compared to 95 per cent of the time in the Goldfields and close to 100 per cent of the time in the Kimberley. We found no evidence of recurrent outages seriously affecting individual communities.
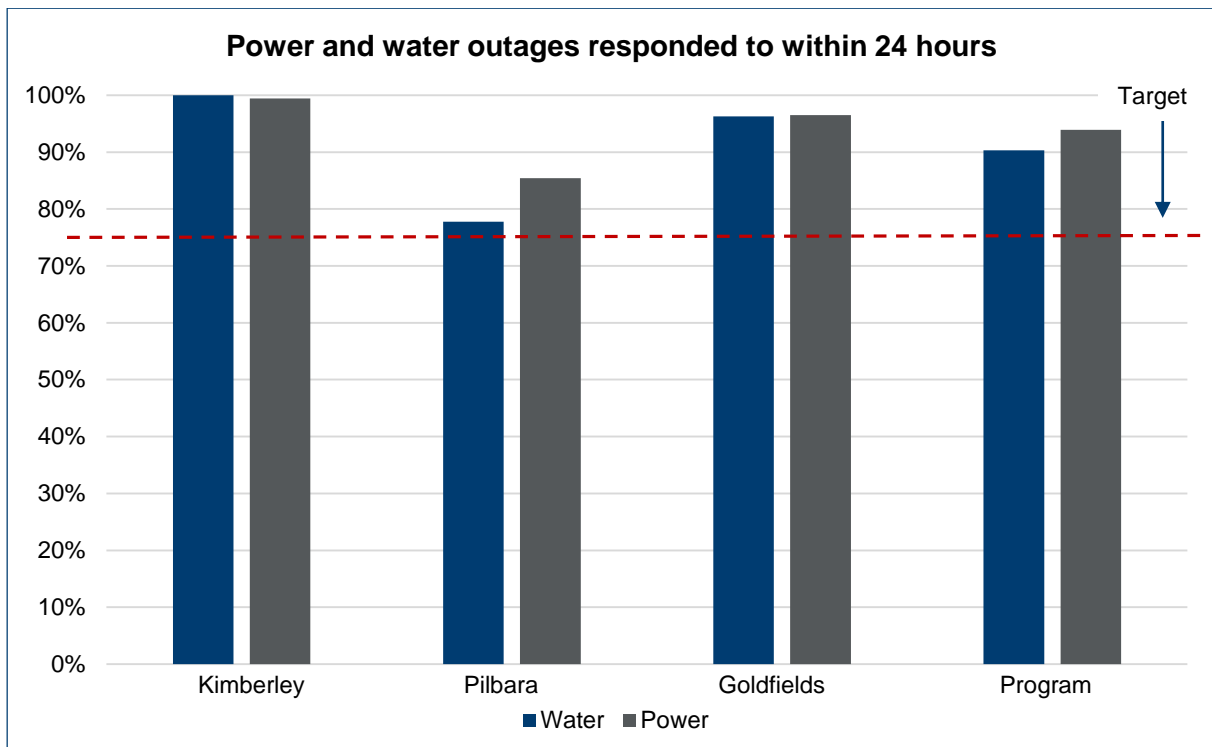
Power and water outages responded to within 24 hours

Figure 3: Percentage of power and water outages acted on within 24 hours, 2011-12 to 2013-14

Until this year, Housing only recorded outage length in terms of less than or more than 24 hours. This meant it did not know when longer outages may have significantly affected communities. There were five power outages of more than 24 hours in 2013-14.

Service Providers can fix some interruptions to both power and water without travelling to the community using remote access and controls in place for some assets and systems. Housing plans to roll out similar access and controls to all assets, prioritised according to need, but timing will depend on funds being available.

Where remote monitoring is unavailable or cannot fix the problem, Service Providers can also employ community members to carry out some of this work. Fourteen communities have trained Essential Service Officers in place to carry out unplanned or emergency repairs. There are also Essential Service Technicians in four communities, who can carry out planned maintenance.

Water quality in communities often fails to meet Australian health standards

The Program aims to comply with the Australian Drinking Water Guidelines (the Guidelines) that set microbiological, chemical and aesthetic standards for drinking water. In the two years to June 2014, the water supply at four out of five communities failed to meet microbiological quality standards at least once because either Escherichia coli (E.coli) or Naegleria was detected. These microbes can cause life-threatening illnesses and present the main risk to human health from drinking water. Some communities had repeated cases of Naegleria and E. coli, as well as unsafe levels of the chemical contaminants nitrates and uranium.

The Guidelines are the minimum standards for drinking water quality set by the National Health and Medical Research Council in collaboration with the Natural Resource Management Ministerial Council. The Guidelines recommend weekly sampling for communities under

1 000 people, but recognise the need to consider the logistics of collecting the samples, the nature of the water supply, and the treatment system in place.

Service Providers sample community supplies monthly for microbiological testing against these Guidelines. Housing informed us that weekly testing would cost substantially more than the $1.8 million per year it currently costs. The impact is that water quality issues might exist for up to a month before being identified. Testing for physical, chemical and aesthetic quality is six-monthly.

When chemical and microbiological test results do not meet the Guidelines, communities are notified by telephone, fax and email and advisory notices are placed around the community. When tests fail, the Service Providers respond in various ways:

- increased sampling and testing

- supplying bottled drinking water

- providing new or upgraded infrastructure

- seeking new water sources

- blending existing water sources to reduce concentrations to acceptable limits.

Since July 2012, remediation costs following microbiological test failures have totalled nearly $600 000.

We did not look at aesthetic factors such as smell, taste and discolouration because they do not directly threaten health. However, Housing and some communities advised us that these factors deter some people from using safe water sources in favour of less safe but more palatable sources.

Eighty per cent of communities sometimes failed drinking water tests for Naegleria or E. coli

Over the two years to June 2014, at least one community failed a water quality test every month for either E. coli or Naegleria (Figure 4). In January 2014, twelve communities failed one or both tests. Sixty-eight communities had at least one test failure over the two years.

Data is not available to show how many people fell ill as a result of these failures because the small number of individuals affected does not show up in health statistics, but the risks are significant at a community level and well understood by stakeholders. By comparison, Health has reported no failures for E. coli or Naegleria at any test site in WA managed by Water Corporation since at least 2008.

Communities failing E.coli or Naegleria tests by month
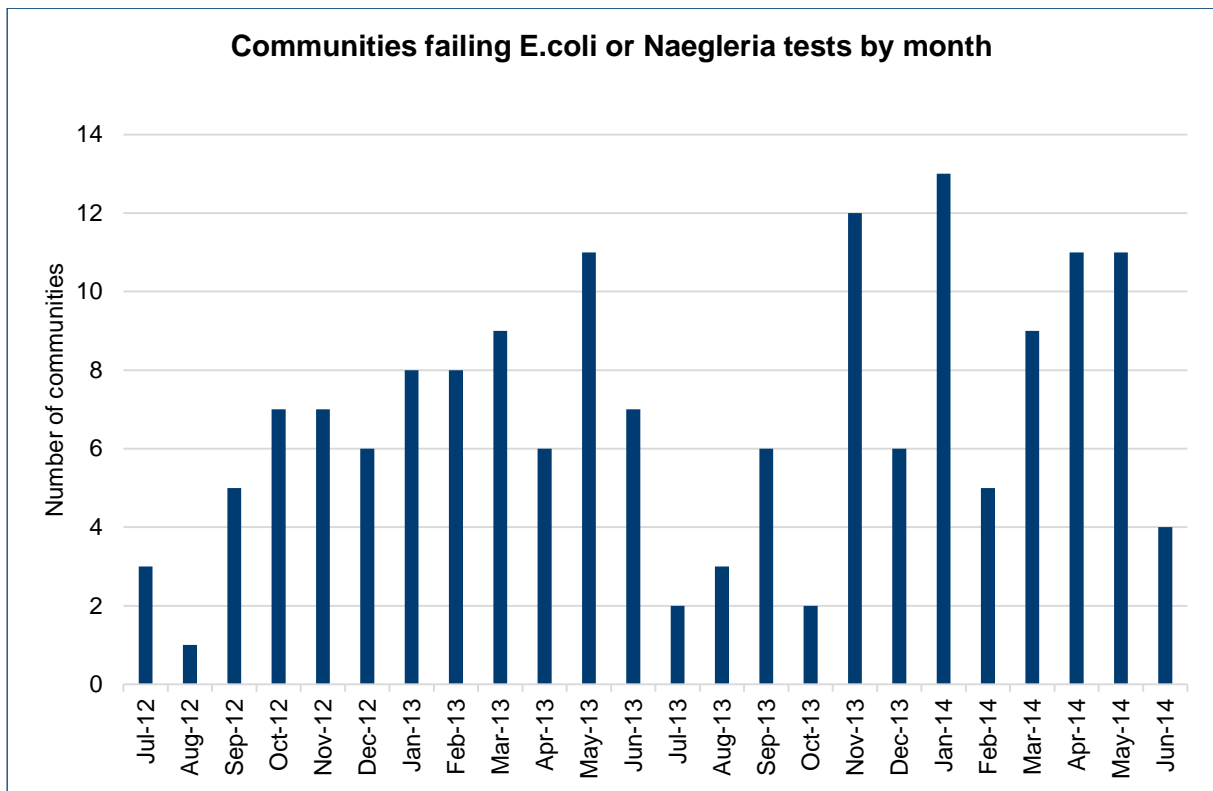
Source: OAG analysis, data from Housing

Figure 4: Number of communities failing E. coli or Naegleria tests by month, July 2012 to June 2014

Over the two years to June 2014, thirty-nine communities had two or more failures, while 29 had three or more. In that period, Koorabye has failed 11 times, making tap water unsafe for much of that time. However, we note that the Program installed a chlorination unit at Koorabye in July 2014, making the water much safer to drink since then. We also note that no Pilbara communities failed E.coli tests in the 12 months to April 2015.

The four communities with the worst microbiological performance were among 33 that still had UV water treatment systems at June 2014. These systems are ineffective if the power fails or the water is not clear. Housing is replacing UV systems with more effective chlorination systems as funds become available.

Jarlmadangah Burr in the Kimberley, between Derby and Fitzroy Crossing, has about 60 permanent residents.

The community's water supply is reliable but it failed microbiological quality tests five months in a row in 2013-14. Disinfection relies on a UV filter system that does not work when the water becomes cloudy. The community told us that by the time they get a notice from a failed water test they have already been drinking it for a week or two. They routinely boil water 'for babies and young ones'. A chlorine system will be installed in May 2015 and should solve this problem. Community concerns about the taste of chlorinated water have delayed this installation.
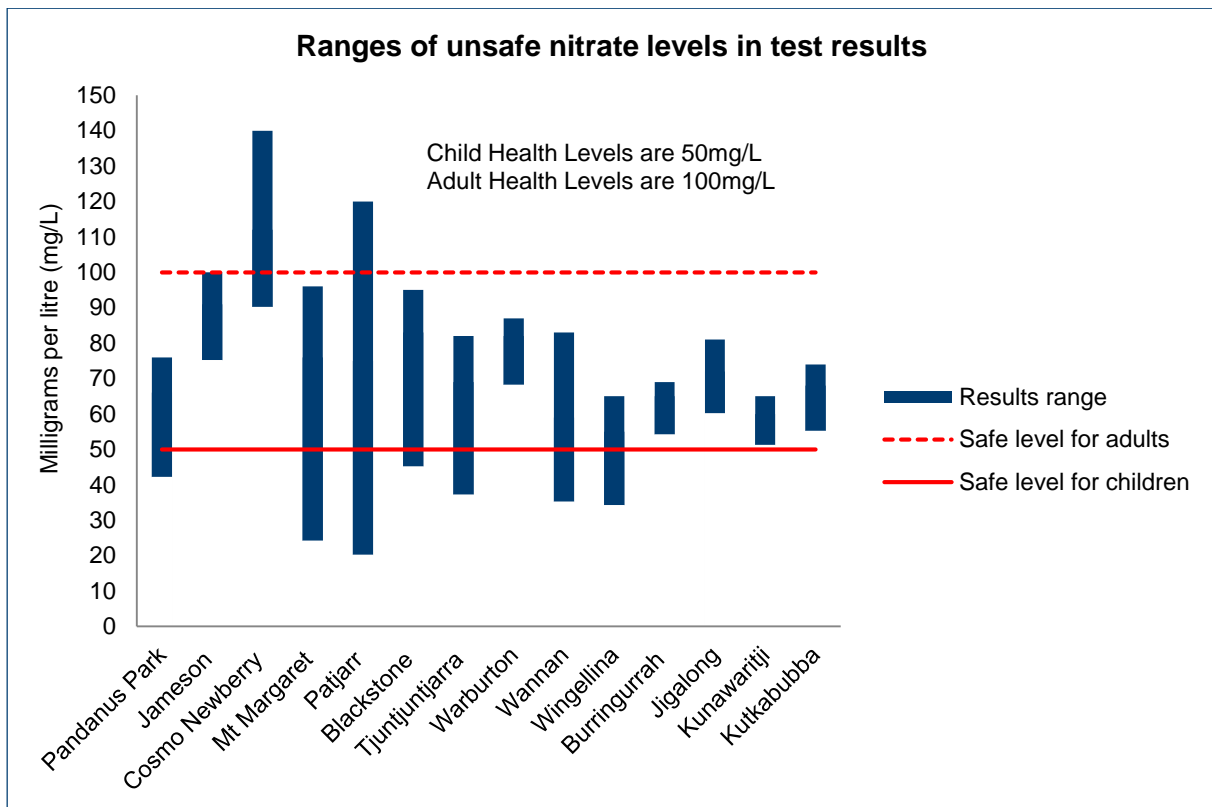

Water is pumped to the water tower (above left) from community water bores that are monitored remotely by the Service Provider. In addition to UV disinfection, the water from one bore is also treated for its high natural arsenic content using a special treatment unit (above right). Arsenic levels have met the Guidelines since the commissioning of the unit.

One in five communities exceeded safe levels for nitrates or uranium

The most significant chemical issues for water quality come from nitrates and uranium, which occur naturally and are common in the Goldfields and Pilbara. Excessive nitrates in the diet reduce blood's ability to carry oxygen. In infants, this can cause the potentially life-threatening Blue Baby Syndrome, where the skin takes on a bluish colour and the child has trouble breathing. Housing provides bottled water for infants under three months in communities with high nitrates. Long term solutions would likely include asset replacements or upgrades or finding new water sources, or a combination of these.

In 2013-14, fourteen of 84 communities in the Program recorded nitrates above the safe health level for bottle-fed babies under three months. Two communities had readings above the standard for adults (Figure 5).

Ranges of unsafe nitrate levels in test results

Child Health Levels are 50mg/L
Adult Health Levels are 100mg/L

Results range
Safe level for adults
Safe level for children

Figure 5: Nitrate test results for communities with unsafe levels in drinking water 2013-14

Monitoring for uranium in water supplies is happening at five communities where uranium levels are high. Uranium leaches naturally from soils, rocks and natural deposits, but is also released through mining processes. It is carcinogenic and high concentrations can cause kidney inflammation.

In the last two years, three communities have exceeded the safe limit of 0.017 mg/L about half the time, while Tjuntjuntjara in the Goldfields failed 18 out of 22 tests. Some of these results were up to double the safe level. To manage this, water from several bores is blended to achieve acceptable uranium levels. Since October 2014, there has been fortnightly testing at Tjuntjuntjara to better understand the raw water supply.

Inadequate testing of wastewater systems is creating health risks

Prolonged breakdown of wastewater systems can reduce the effectiveness of sewage processing. Leaks and overflows also increase the risks of mosquito-borne disease. Service Providers are required to inspect all wastewater and sewer systems monthly during planned maintenance activities and to report on their condition and operation to Housing. They are also required to test sewer ponds twice yearly for microbes and chemicals and report the results to the Department of Health and to Housing via the Program Manager.

We found that Service Providers' testing of sewer ponds has been irregular or not included all ponds. The lack of testing means that Housing does not always know how well the evaporation ponds are working, and this poses risks to community health. Of 39 communities in the Program with sewer ponds, none had all the testing they required in the two years to June 2014. However, all Service Providers are now sampling and testing according to their contracts.

Blockages causing overflows are a common problem in communities. Between July 2012 and June 2014, nineteen communities reported 37 wastewater overflows. Overflows risk exposing community members to untreated sewage. The Kimberley community of Mowanjum experienced eight sewer system overflows in 11 months. The lack of septic tanks had allowed solids to enter the main sewer and block it. Adding a primary pit and grinder pumps solved the problem in late March 2015.

Jigalong is a community 165 kilometres east of Newman in the Pilbara, with more than 400 permanent residents.

The community's wastewater treatment system relies on evaporation ponds. In hot and often dry places, these ponds are attractive to wild birds and animals – and even to children. Large animals such as camels may damage fences to get at the water. Stakeholders told us that children have been known to climb the fences to hunt the ducks that frequent them.

Jigalong has extensive wastewater ponds, including two overflow ponds. Our inspection of the site found the fence intact but the gate open. One of the overflow ponds was overgrown with weeds (below left). This slows down evaporation, reducing the pond's effectiveness, and encourages mosquitos.

We also observed wastewater leaking from a treatment pond into a nearby creek (below).

The Program Manager has since advised that the leaked water had been tested and did not pose an immediate health risk.

There are weaknesses in Housing's contracting, information sharing and Program coordination

Poor contracting means Housing is not getting full value from its contracts

Good program management requires robust contracts that include:

- clear responsibilities and authorities for each party to the contract

- clear reporting lines

- clear performance expectations or minimum standards.

Housing's Program contracts did not meet these criteria, making it more difficult to manage the Program and reducing accountability for outcomes. A lack of clear performance expectations has made it hard for Housing to monitor Program performance and reduced opportunities to improve its efficiency and effectiveness. As a result, Housing is not getting full value from its Program Manager and communities are potentially not getting the most benefits from the Program. All contracts are due for renewal over the next 12 months and Housing informed us that it has begun to review them.

The Program Manager's contract makes it responsible for managing the Program but the way Housing has implemented the contract has made it more a technical advisor and consultant than a manager. Because Service Providers often dealt directly with Housing, the Program Manager was not always aware of issues they faced. Housing has also made cost-based choices that limit what it asks from the Project Manager, and the Program Manager has limited its activities to what is directly specified in its contract. As a result, the Program Manager no longer visits or directly oversees work in remote communities.

Housing's contracts with Service Providers are also deficient. KPIs have not been finalised since the signing of the contracts in 2012 and 2013. This limits the oversight of activity by Housing or the Program Manager. While there are draft KPIs, these are broad and lack detail. For example, as mentioned above, outages are only reported as more than or less than 24 hours and there are no performance indicators for asset condition or operational performance. The contracts contain no penalty clauses or incentives.

Housing was aware of these deficiencies before the contract was signed, but did not correct them because they were not considered a high priority.

Poor oversight means Housing may have overpaid for some services

The Program Manager is required to approve Service Provider invoices but it has not inspected work in communities for the past two years and cannot verify that invoices are accurate. Instead, it relies on Service Providers self-reporting that their own work met contract needs and standards. Both Housing and the Program Manager advised that this is because these inspections are outside the contract scope and would involve extra cost and have therefore not been approved by Housing.

Inadequate oversight of Service Providers may mean that Housing has paid twice for some work. We reviewed 361 job orders on wastewater systems of which 90, at a value of $339 004, were approved and paid as preventative maintenance. However, the information on the job orders and invoices did not make it clear why they were preventative rather than regular planned maintenance for which Service Providers are paid a monthly fixed price. This created

a risk that Housing paid more than it should, but we found no evidence that this occurred. In 2013-14 the combined preventative and emergency invoices across the Program totalled $14.7 million. Housing identified similar examples in August 2014 but has not yet resolved the matter.

Housing does not know if the right communities are in the Program

Government is currently considering a wide range of issues affecting remote Aboriginal communities, in part driven by changes to Commonwealth funding. Whatever the outcomes of these considerations, there will always be a need to provide services to larger permanent communities. Since its inception, the Program has had specific criteria to identify which communities are eligible for its services.

However, since 2008 there has been no review of the eligibility of communities to be included in the Program. Our analysis suggests that some communities that are currently not in the Program would qualify for inclusion while others may no longer qualify. This means some communities may be missing out on services while others may be over-serviced.

Cabinet approves which communities are included in the Program. The criteria which determine eligibility for inclusion are:

- a permanent population of more than 50

- the number of houses

- standard of infrastructure

- ownership of the land

- incorporated group status

- special circumstances (Appendix 2).

Since 2007, Housing has suspended services to seven of the 91 communities approved by Cabinet for inclusion in the Program. The reasons include being abandoned, demolished or being connected to services provided to nearby towns. Housing believes, and we agree, that these were 'common-sense operational decisions'. However, there is no approved process to remove communities from the Program, and Housing could not produce evidence of any records to support its decisions.

We found 24 communities receiving services did not meet the minimum population criterion of 50. Housing has advised that many of these have never met the population criterion but were included because they were expected to grow. Housing can make exceptions if there is good reason to include a community, but we found no documented evidence to show application of the special circumstances criterion in any of these cases.

Housing does not consider itself responsible for assessing eligibility for the Program. However, it is uniquely placed, as the sole government administrator of the Program to inform Cabinet on the status of communities against the criteria.

Asset information systems are inadequate, but Housing is addressing this

Housing does not have an up-to-date view of the condition of Program assets which have an estimated value of $765 million. Until recently, Housing did not receive the Program asset data that Service Providers collected for their own operational reasons. This means that Housing could not readily assess if Program assets meet current or future needs.

In March 2014, the Essential Services Asset Management System (ESAMS) was launched to collect and store consistent asset data in one place. The Program Manager developed the system under its contract to allow Housing and the contractors to better understand asset performance. The expected commencement date was delayed because the Program Manager had difficulties obtaining the originally proposed system. Service Providers also had concerns about who owned the information and giving Housing access to it.

At 9 January 2015, Service Providers had collected asset data on 28 per cent of the 7 635 assets listed as held in communities. If power poles and wires are included, the figure is only 11 per cent of 20 411 assets. The Program Manager expects all available data to be in ESAMS by the middle of 2015. From then, the Service Providers will update the data as they maintain the assets. When the data is complete and the system is used to its full capacity ESAMS should provide a strong management tool, including the capability to report in real time on outages.

Services to communities are not coordinated, increasing cost

Service delivery in remote communities is complex and challenging. The Commonwealth and the State have ministerial, policy, operational and financial roles, and the private sector also plays a part. While coordination is usually not a highly visible issue, the Program Manager and many communities raised the issue with us.

Government has long recognised the challenges to good coordination of this area. In 1972 the Aboriginal Affairs Coordinating Committee (AACC) was established by legislation to address this need. It includes the heads of 13 State agencies with direct interests in Aboriginal communities, including Housing, and it meets four times a year.

In April 2013, Government recognised that more needed to be done and established the Aboriginal Affairs Cabinet Sub-Committee. Its members are the Ministers for Aboriginal Affairs, Health, Mental Health, Police and Regional Development. Housing is not represented.

Beyond these high level responses, we saw practical examples of how unplanned or uncoordinated activity adversely affects communities. We saw a complete solar powered system funded by the Commonwealth that had been installed but could never be connected because it was incompatible with the existing power system. At another community, a mining company built and connected a facility to power, without any prior consultation with Housing.

Other state agencies such as Health (clinics), the Department of Education (school buildings) and WA Police (police stations) carry out capital works in remote communities but Housing reports that it is rarely informed in time to properly plan essential services to support them.

In some communities and regions Housing has awarded separate contracts for home maintenance and Program services. At times these limit which maintenance issues tradespeople can address at any time, depending on whether they are inside or outside property boundaries. We were told in numerous communities that this had led to delays, multiple trips by tradespeople, and extra costs. As with most things in this space, the more remote a community is, the more such complications increase costs and delays, which increases the risk to community members.

Tjuntjuntjara is 670 kilometres east of Kalgoorlie, and is the main home of the Spinifex People. Its population ranges from 150 to 250 people, depending on the season.

Our fieldwork highlighted the risks of not coordinating Housing's own maintenance efforts and resources in such a remote community. We found an electrical fault in a kitchen that was a serious safety hazard (right). We were told it had been damaged for some time but fixing it was outside the Program's remit.

An inspection and reporting regime shared by the two Service Providers responsible for housing maintenance and essential services would have identified the problem and ensured it was fixed at the earliest opportunity. During our audit we drew this issue to their attention and it was assigned a 'top priority' to be fixed.

Appendix 1 — Program communities at 31 December 2014

Community	Map reference	Population (estimated)	Dwellings	Region	Receiving services
Bidyadanga	18	595	123	Kimberley	Yes
Balgo	14	508	115	Kimberley	Yes
Warburton	12	476	158	Goldfields	Yes
Kalumburu	33	467	112	Kimberley	Yes
Jigalong	68	427	80	Pilbara	Yes
Junjuwa	31	377	96	Kimberley	Yes
Looma	43	377	67	Kimberley	Yes
Bardi	15	334	95	Kimberley	Yes
Bayulu	16	320	66	Kimberley	Yes
Mowanjum	48	308	48	Kimberley	Yes
Warmun	58	300	92	Kimberley	Yes
Beagle Bay	17	286	78	Kimberley	Yes
Noonkanbah	55	282	59	Kimberley	Yes
Mindibungu	46	258	64	Kimberley	Yes
Djarandjin	22	243	84	Kimberley	Yes
Kiwirrkurra	70	215	38	Pilbara	Yes
Tjuntjuntjara	9	205	35	Goldfields	Yes
Kundat Jaru	37	188	38	Kimberley	Yes
Blackstone	1	186	66	Goldfields	Yes
Wangkatjunka	57	186	35	Kimberley	Yes
Warakurna	11	179	55	Goldfields	Yes
Warralong	80	174	18	Pilbara	Yes
Punmu	77	156	34	Pilbara	Yes
Wingellina	13	151	50	Goldfields	Yes
Mulan	49	149	47	Kimberley	Yes
Wannan	10	149	45	Goldfields	Yes
Muludja	50	136	22	Kimberley	Yes
Pandanus Park	56	130	25	Kimberley	Yes
Parngurr	74	128	39	Pilbara	Yes
Jameson	3	127	41	Goldfields	Yes
Burringurrah	65	117	51	Pilbara	Yes
Yandeyarra	82	106	50	Pilbara	Yes
Woolah	59	103	24	Kimberley	Yes
Yakanarra	61	100	30	Kimberley	Yes
Mt Margaret	4	94	27	Goldfields	Yes
Koorabye	36	89	13	Kimberley	Yes
Bindi Bindi	64	88	31	Pilbara	Yes
Djugerari	23	83	21	Kimberley	Yes
Cosmo Newberry	2	75	32	Goldfields	Yes
Karalundi	69	74	26	Pilbara	Yes
Jarlmadangah	28	72	20	Kimberley	Yes

Community	Map reference	Population (estimated)	Dwellings	Region	Receiving services
Wakathuni	78	72	16	Pilbara	Yes
Mandangala	44	72	15	Kimberley	Yes
Kadjina	32	70	15	Kimberley	Yes
Kupungarri	39	69	41	Kimberley	Yes
Tjukurla	8	67	21	Goldfields	Yes
Tjirrkarli	7	62	20	Goldfields	Yes
Ngallagunda	52	60	16	Kimberley	Yes
Imintji	27	60	12	Kimberley	Yes
Karmilinunga	35	60	12	Kimberley	Yes
Yiyili	62	58	22	Kimberley	Yes
Kunawarritji	71	56	17	Pilbara	Yes
Lombadina	42	55	20	Kimberley	Yes
Joy Springs	30	55	13	Kimberley	Yes
Cheeditha	66	54	15	Pilbara	Yes
Guda Guda	26	54	12	Kimberley	Yes
Yulga Jinna	84	52	18	Pilbara	Yes
Dodnun	24	50	9	Kimberley	Yes
Wurrenraginy	60	50	9	Kimberley	Yes
Innawonga	67	50	7	Pilbara	Yes
Kutkabubba	72	47	7	Pilbara	Yes
Mulga Queen	5	45	10	Goldfields	Yes
Pia Wadjari	75	40	15	Pilbara	Yes
Ngurtuwarta	54	40	8	Kimberley	Yes
Wandanooka	79	40	6	Pilbara	Yes
Windidda	81	35	7	Pilbara	Yes
Ngumpan	53	33	11	Kimberley	Yes
Lamboo Gunian	41	31	17	Kimberley	Yes
Patjarr	6	30	17	Goldfields	Yes
Ngalinkadji	51	30	11	Kimberley	Yes
Ngurawaana	73	30	11	Pilbara	Yes
Galeru Gorge	25	28	7	Kimberley	Yes
Kupartiya	38	27	9	Kimberley	Yes
La Djardarr Bay	40	27	6	Kimberley	Yes
Barrel Well	63	27	3	Pilbara	Yes
Marunbabidi	45	25	6	Kimberley	Yes
Kandiwal	34	25	4	Kimberley	Yes
Youngaleena	83	24	6	Pilbara	Yes
Bow River	20	21	10	Kimberley	Yes
Budgarjook	21	20	9	Kimberley	Yes
Moongardi	47	20	7	Kimberley	Yes
Jimbalakadunj	29	18	8	Kimberley	Yes
Bobeiding	19	16	7	Kimberley	Yes
Punju Ngamal / Jinparinya	76	8	7	Pilbara	Yes
Coonana	-	-	-	Goldfields	No
Lundja	-	-	-	Kimberley	No

Community	Map reference	Population (estimated)	Dwellings	Region	Receiving services
Goolarabooloo	-	-	-	Kimberley	No
Oombulgurri	-	-	-	Kimberley	No
Tjalka Warra	-	-	-	Pilbara	No
Yagga Yagga	-	-	-	Kimberley	No
Yarrunga	-	-	-	Kimberley	No

Appendix 2 — Existing Remote Area Essential Services Program Eligibility Criteria

The existing Remote Area Essential Services Program eligibility criteria are:

- *Population* — A normal population of at least 50 people.

- *Permanency of Occupation* —The community must be the principal residence of the majority of the population for the majority of a twelve month period. As a general rule 75 per cent of the normal population should be in residence for a minimum of nine months of the year.

- *Level and Standard of Infrastructure* — At least five domestic dwellings should be established with power, water and wastewater systems connected and to a standard acceptable to State energy and water regulatory bodies.

- *Land Tenure* - Communities should have secure land tenure granted (or agreed to be granted) by the State in accordance with Guidelines established by the Minister for Lands. In cases where secure land tenure has not been granted (or agreed to be granted) a community may be eligible for funding if the community meets all other criteria and has in the past received significant funding support from the State.

- *Special Circumstances* — Communities that do not meet all the above criteria, but can demonstrate good reason why they should receive maintenance funding, may be considered for addition to the maintenance schedule. Good reason may include:

  o demonstrated environmental health risk

  o proximity to other serviced communities

  o special needs of residents (e.g. aged population).

- *Incorporated Group* — Communities should be incorporated under relevant State or Commonwealth legislation or be represented by an incorporated body.

Auditor General's Reports

Report Number	Reports	Date Tabled
7	Audit Results Report — Annual 2014 Financial Audits	6 May 2015
6	Managing and Monitoring Motor Vehicle Usage	29 April 2015
5	Official Public Sector Air Travel	29 April 2015
4	SIHI: District Medical Workforce Investment Program	23 April 2015
3	Asbestos Management in Public Sector Agencies	22 April 2015
2	Main Roads Projects to Address Traffic Congestion	25 March 2015
1	Regulation of Real Estate and Settlement Agents	18 February 2015

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