New South Wales Auditor-General’s Report
Performance Audit
Improving the literacy of Aboriginal students
in NSW public schools
Department of Education and Communities
The role of the Auditor-General

The roles and responsibilities of the Auditor-General, and hence the Audit Office, are set out in the Public Finance and Audit Act 1983.

Our major responsibility is to conduct financial or ‘attest’ audits of State public sector agencies’ financial statements. We also audit the Total State Sector Accounts, a consolidation of all agencies’ accounts. Financial audits are designed to add credibility to financial statements, enhancing their value to end-users. Also, the existence of such audits provides a constant stimulus to agencies to ensure sound financial management.

Following a financial audit the Audit Office issues a variety of reports to agencies and reports periodically to parliament. In combination these reports give opinions on the truth and fairness of financial statements, and comment on agency compliance with certain laws, regulations and government directives. They may comment on financial prudence, probity and waste, and recommend operational improvements.

We also conduct performance audits. These examine whether an agency is carrying out its activities effectively and doing so economically and efficiently and in compliance with relevant laws. Audits may cover all or parts of an agency’s operations, or consider particular issues across a number of agencies. Performance audits are reported separately, with all other audits included in one of the regular volumes of the Auditor-General’s Reports to Parliament – Financial Audits.

In accordance with section 38E of the Public Finance and Audit Act 1983, I present a report titled Improving the literacy of Aboriginal students in NSW public schools: Department of Education and Communities.

Peter Achterstraat
Auditor-General
8 August 2012

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Foreword

Literacy skills are essential for modern life. They enable us to read product descriptions, instruction manuals, and navigate the internet.

Successive governments have endeavoured to improve the literacy skills of NSW public school students. My 2008 audit Improving Literacy and Numeracy in NSW Public Schools was about improving the literacy of all children, especially those at risk of falling behind. In this group are many of the most disadvantaged in our community.

The NSW and Commonwealth Governments have particularly focused on improving the literacy skills of Aboriginal children. My 2011 audit Two Ways Together – NSW Aboriginal Affairs Plan highlighted the impact of continuing disadvantage on some Aboriginal people, including poor literacy rates. As part of the National Indigenous Performance Agreement, the Council of Australian Governments (COAG) have set specific targets for ‘closing the gap’ between Aboriginal and all other school students.

This audit looks at the effectiveness of those efforts in relation to Aboriginal students in NSW public schools.

It builds on my previous audits and avoids duplicating the efforts of the Ministerial Advisory Group to improve literacy and numeracy for all students.

It shows that many Aboriginal students are performing well. Indeed, in around a third of primary schools, there is no significant gap between the results of Aboriginal and non-Aboriginal students.

My report focuses on the challenges of meeting the Government’s targets to improve the literacy of those Aboriginal students who need further support.

Peter Achterstraat
Auditor-General
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Executive summary

Background

This audit examines whether the Department of Education and Communities’ processes to improve the literacy of Aboriginal students are likely to be successful. To be literate requires students to read, write, speak, listen and think critically.

NSW has the largest population of Aboriginal people in Australia and the greatest number of Aboriginal students in any jurisdiction. In 2010, there were 42,848 Aboriginal students enrolled in NSW public schools.

Over the last decade the Department has made an effort to improve the levels of literacy of Aboriginal students in NSW public schools. Its 2010–11 Budget included funding of $71 million, which contributed to improving the academic achievements of Aboriginal students, and included targeted programs, employment of Aboriginal officers to support students in schools, as well as initiatives to strengthen community engagement. These amounts are in addition to specialised literacy programs available more generally to disadvantaged students.

The audit focuses particularly on the Department’s efforts to remove the barriers to learning encountered by Aboriginal students. It draws upon, but does not duplicate, our 2008 audit Improving Literacy and Numeracy in NSW Public Schools. That was about improving the literacy of all children, especially those at risk of falling behind. The current audit also has taken note of, but does not duplicate, the efforts of the new government’s Literacy and Numeracy Action Plan and its associated Ministerial Advisory Group of educational experts.

The 2021 State Plan outlines one of its priorities is to halve the gap between NSW Aboriginal and non-Aboriginal students in reading and numeracy by 2018. The 2006 State Plan aimed to close the gap between Aboriginal and all other students in primary school literacy and numeracy rates by 2016.

Conclusion

We have found no evidence to support the proposition that either closing the gap (by 2016), or halving the gap (by 2018), is likely to be attainable.

Notwithstanding gains and losses at individual schools, there has been no significant improvement in the overall performance of Aboriginal students in national and State tests – either in terms of absolute performance, or in terms of the gap between Aboriginal and non-Aboriginal students. Despite efforts to close the gap, it has shown no signs of diminishing.

The Department has the processes to improve literacy, but cannot be sure that the necessary resources and support reach every child in need. The Department advised that the support at each school depends on local variables such as the size of the school, number of children requiring additional support, geographical location, access to regional and state resources and staff expertise.

The Department lacks systems that track and cumulatively assess needs of individual students. There is no means of systematically identifying those students at risk who are missing out on the support they need. There is no ‘safety net’ to catch Aboriginal students who are not targeted under the present funding arrangements. There is no assurance that interventions actually do occur as needed on a timely basis.

We found no ready measure of the success or otherwise of the Department’s efforts to promote the involvement and support of Aboriginal parents and the Aboriginal community. The cost-effectiveness of most interventions and cultural initiatives is unknown.
Supporting findings

Have literacy test results improved?

NSW test results over the last decade show a significant continuing gap in the results for Aboriginal students compared to the results for non-Aboriginal students, with no discernible signs of improvement.

We found no evidence to support the proposition that either closing the gap (by 2016), or halving the gap (by 2018), is likely to be attainable.

Given that the Aboriginal population growth is double that of the general population, it is likely that there will be increasing numbers of Aboriginal students falling behind.

Gains in education may be limited unless other aspects of socioeconomic disadvantage are improved, such as health, nutrition, housing and employment.

Are appropriate targets set for literacy attainment and translated through to regions and schools to guide school planning and teaching?

Targets are set for the literacy attainment of all students, and translated through to regions and schools. However, State targets for ‘closing the gap’ for Aboriginal students are not directly translated through to regions and schools. The State-wide target for closing the gap is not proving very useful at region or school level.

The Department does not analyse the relative contributions of non-school factors to the literacy gap of Aboriginal students. As a result, it lacks an objective basis on which to allocate resources and assess what can reasonably be expected from each intervention.

The Department lacks realistic targets that it can use to assess performance and guide the allocation of resources. Current timeframes for change do not appear reasonable, given the complexity of the factors affecting education outcomes.

Are there effective arrangements in place to identify those children in need of additional support?

There are a number of ways to identify those children in need of additional support. There is a risk that these are not adopted in a timely manner, and may not be applied consistently within schools or between schools. As a result, there is no assurance that all Aboriginal students in need are identified in sufficient time.

Are there interventions put in place together with monitoring arrangements to assess their effectiveness?

The Department has focused on the need to improve Aboriginal education. An extensive range of programs can be used to assist students, but there is no means of ensuring every student in need receives the additional support necessary. This depends on local variables such as the size of the school, number of children requiring additional support, geographical location, access to regional and state resources and staff expertise.

While there are mechanisms within schools, there is no systematic and consistent approach across the State as to the level of intervention needed to respond to the achievement gap between Aboriginal and non-Aboriginal students.

Current data collection does not allow the Department to monitor how well students at risk are being assessed or whether all those in need are being reached by the programs on offer.

There is no system to warn if an Aboriginal student identified as being in need of additional support is not receiving that support. There is no ‘safety net’ to catch Aboriginal students who are not targeted under the present funding arrangements.
The Department suggests, but does not require, the development of a 'literacy plan' for students who have scored in the bottom two bands of National Assessment Program – Literacy and Numeracy (NAPLAN) for their year.

There is no equivalent of a quality assurance system to ensure that interventions actually do occur as needed on a timely basis. There is no routine educational audit as part of such a system.

There is no State-wide system that records and tracks student interventions and outcomes in a consistent manner for all Aboriginal students at risk of falling behind.

**Does the Department enlist the help of parents and Aboriginal community to support the learning of their children?**

Schools use a variety of means to increase the involvement of Aboriginal parents and the Aboriginal community, such as programs that promote cultural awareness, language programs, and the development of personalised learning plans. This in turn can lead to more positive student attitudes. These efforts constitute a critical ‘enabler’ of improved learning.

However, we found no ready measure of the success or otherwise of the Department’s efforts to promote the involvement and support of Aboriginal parents and the Aboriginal community.

The Department has been redeveloping its website to improve the accessibility of information for teachers and parents. However, over half of Indigenous households have no internet access.

Schools particularly benefit from the support of Aboriginal field staff but, due to growth and movement in the Aboriginal population, their allocation to schools is no longer aligned with the distribution and needs of Aboriginal students.

Some local Aboriginal Educational Consultative Group (AECG) representatives do not have access to information on the performance of Aboriginal students, as a group, at individual schools. As a result, they can be poorly placed to know where progress is being made and where the biggest problems are.

Around half of the Aboriginal students have Personalised Learning Plans (PLPs). The content varies from school to school. There is no standard template (or checklist of what must be included) and no minimum frequency requirement for updating a student’s progress. Many PLPs have been developed with no parental involvement.

**Does the Department evaluate the efficiency and effectiveness of its programs?**

The Department does not routinely evaluate the cost effectiveness of its programs and measures, using studies of individuals over time to assess their specific impact on Aboriginal literacy. As a result, it is unable to ensure that it gets the best improvement in Aboriginal literacy from the funds available, or that it can accurately identify the funding required to provide a specified improvement in Aboriginal literacy.
Recommendations

NSW Department of Education and Communities

The Department of Education and Communities

1. by December 2013, needs more realistic targets with which to assess its progress in improving the literacy of Aboriginal students. All schools should set targets for Aboriginal students based on a realistic assessment of each individual’s capability (page 13).

2. by December 2013, needs more standardised, consistent and practical tools for assessing and diagnosing student performance. A wider use of the Literacy Continuum and further development of diagnostic tools like Best Start appear to offer the best prospect of this (page 14).

3. by December 2014, needs to ensure that all Aboriginal students who perform at or below National standards in literacy are provided with the additional support they need by (page 17):
   - setting criteria to identify those Aboriginal students eligible for additional literacy support, and the nature of the support required
   - keeping data on the targeted use of literacy support programs in schools
   - specifying the interventions needed for Aboriginal students who have scored in the bottom two bands of NAPLAN for their year
   - systematically tracking students in need, the instances of intervention and the resulting performance outcomes
   - conducting routine educational audits.

4. by December 2014, needs to ensure its new management systems are fully developed and quickly put to use to enable the effective tracking and analysis of student performance and students needs over time (page 17).

5. by December 2013, needs a means of routinely evaluating the effectiveness of schools’ efforts to promote the involvement and support of Aboriginal parents and the Aboriginal community (page 20).

6. by December 2012, needs to periodically review the resourcing and allocation of Aboriginal field staff (page 20).

7. by December 2012, needs to ensure all AECG representatives are provided with information on the performance of Aboriginal students and their progress at school level, where the biggest problems are and where intervention is needed (page 20).

8. by June 2013, needs to evaluate the design and effectiveness of PLPs, now that it has several years of experience in their use by schools. It needs to specify minimum content and frequency, with the inclusion of a literacy component for all students at risk of falling behind (page 20).

9. by June 2013, needs to routinely evaluate the efficiency and effectiveness of its programs and measures to improve the literacy of Aboriginal students (page 21).
Response from the Department of Education and Communities

Mr Peter Achterstraat
Auditor-General
Audit Office of New South Wales
GPO Box 12
SYDNEY NSW 2001

Dear Mr Achterstraat

I write in response to your letter of 13 June 2012, about the Improving the Literacy of Aboriginal Students in NSW Public Schools performance audit final report.

The Department of Education and Communities welcomes the opportunity to provide a formal response to the report.

In noting the findings detailed in the report, I take this opportunity to reiterate that the Department is committed to providing all Aboriginal students in NSW government schools with a quality education and to bridging the gap in literacy outcomes for these students.

It remains a core priority for the Department to meet targets set by both the NSW and Commonwealth Governments, particularly those determined by the Council of Australian Governments in relation to closing the gap between Aboriginal and all students in literacy and other learning outcomes.

The Department is embarking on two major initiatives that will address issues relating to Aboriginal student literacy which are central to the Audit Office's report. These initiatives, the Literacy and Numeracy Action Plan and the Connected Communities strategy, will both strongly target schools where literacy outcomes are of concern. In addition, the NSW Government has committed, through the Commonwealth of Australian Government, to implementing the Aboriginal and Torres Strait Islander Education Action Plan (2010-2014) which identifies local, regional and systemic actions to improve learning outcomes for Aboriginal students.

The Literacy and Numeracy Action Plan, released in March 2012, responded to the recommendations of the NSW Ministerial Advisory Group on Literacy and Numeracy, will provide funding for the appointment of 50 hands-on Instructional Leaders in NSW public schools with the greatest need, in order to better serve students requiring special attention and support. Many of these schools have Aboriginal students.
The Connected Communities strategy aims to improve the education outcomes for Aboriginal children and young people in 15 of the most complex, vulnerable and disadvantaged communities in NSW. Among other things, the strategy plans to build good literacy practice in Aboriginal learners and local communities and tailor strategies to the needs of these learners and communities.

These two initiatives will allow the Department to accelerate its efforts and strengthen its current approaches to support Aboriginal students to succeed in their learning. The Department will also continue to develop and implement new systems to improve the tracking, analysis and reporting of student performance to add to our efforts to improve Aboriginal student literacy outcomes.

I appreciate the Audit Office’s acknowledgement of the cooperation and assistance provided by the Department of Education and Communities during this audit process and I wish to acknowledge the professionalism and expertise of Audit Office of NSW staff in relation to the conduct of this audit.

I would like also to acknowledge and thank the staff in our schools, in regions and State offices: the teachers, principals, support staff, volunteer community members, tutors, Elders and departmental officers who undertake daily the essential and often challenging work involved in supporting Aboriginal students in NSW public schools to achieve and to succeed.

Finally, I would like to thank the parents and carers, families and communities of our Aboriginal students for their support, guidance and leadership as we take the journey together to achieving true educational equity for Aboriginal children and young people.

Yours sincerely

Michele Brugeres

Dr Michele Bruges AM
DIRECTOR-GENERAL OF EDUCATION AND COMMUNITIES
MANAGING DIRECTOR OF TAFE NSW
16 July 2012
1. Have literacy test results improved?

Finding

NSW test results over the last decade shows no discernible signs of improvement. There is a significant continuing gap in the results for Aboriginal students compared to the results for non-Aboriginal students.

We have found no evidence base to support the proposition that either closing the gap (by 2016), or halving the gap (by 2018), is likely to be attainable.

Given that the Aboriginal population growth is double that of the general population, it is likely that there will be increasing numbers of Aboriginal students falling behind.

Notwithstanding gains and losses at individual schools, over the last decade NSW test results have shown little overall change in results for literacy, both in terms of the percentages of students in the performance bands and the state average scores.

In particular, NSW test results over the last decade (see Appendix 2) show a significant continuing gap in the results for Aboriginal students compared to the results for non-Aboriginal students, with no discernible signs of improvement. By way of illustration, the gap for Year 3 students is depicted below from State-wide testing prior to NAPLAN (exhibit 1) and directly from NAPLAN (exhibit 2).

Exhibit 1: Year 3 Literacy: Percentage of students below the minimum standard, 2001 to 2007

Source: NSW Department of Education and Communities, 2011. Based on testing program prior to NAPLAN.

Exhibit 2: Year 3 NAPLAN Reading and Writing: Percentage of students at or below the minimum standard, 2008 to 2011

Source: NSW Department of Education and Communities, 2011. Based on NAPLAN test results.
The current NSW State Plan outlines one of its priorities is to halve the gap between NSW Aboriginal and non-Aboriginal students in reading and numeracy by 2018. (There is no equivalent State Plan target for writing.)

The 2006 NSW State Plan aimed to close the gap between Aboriginal and all other students in primary school literacy and numeracy rates by 2016. It highlighted that Aboriginal students are 19 months behind in literacy by Year Three and by Year Five Aboriginal students may need an extra three and a half years of literacy learning to match the literacy levels of non-Aboriginal students.

States’ ‘closing the gap’ targets come from the National Indigenous Reform Agreement. In 2008 the Council of Australian Governments (COAG) agreed to ‘halve the gap in reading, writing and numeracy achievements for indigenous children within a decade’.

We have found no evidence base to support the proposition that either closing the gap (by 2016), or halving the gap (by 2018), is likely to be attainable.

We have looked at the distribution of ‘the gap’, based on analysis by the Department. The data suggest that the needs of Aboriginal students vary considerably. In particular, we found that:

- around a third of schools have no significant gap, although some of these are schools with low numbers of Aboriginal students

**Exhibit 3: NAPLAN Reading: Year 3 gap**

<table>
<thead>
<tr>
<th>Geolocation</th>
<th>Major gap</th>
<th>Small gap</th>
<th>Gap not significant</th>
<th>No gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major cities</td>
<td>128</td>
<td>33</td>
<td>28</td>
<td>56</td>
</tr>
<tr>
<td>Inner regional</td>
<td>142</td>
<td>25</td>
<td>18</td>
<td>57</td>
</tr>
<tr>
<td>Outer regional</td>
<td>87</td>
<td>16</td>
<td>6</td>
<td>24</td>
</tr>
<tr>
<td>Remote</td>
<td>12</td>
<td>--</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Very remote</td>
<td>2</td>
<td>--</td>
<td>--</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>371</strong></td>
<td><strong>74</strong></td>
<td><strong>53</strong></td>
<td><strong>141</strong></td>
</tr>
</tbody>
</table>

**Percentages**

- 58% Major gap
- 12% Small gap
- 8% Gap not significant
- 22% No gap

Source: NSW Department of Education and Communities, 2011.

**Note:**

These are schools with greater than 5 per cent Aboriginal Students (to reduce impact of individual students)

The ‘gap’ is the difference in mean scores between Aboriginal and non-Aboriginal students. A significant gap is assumed to be 0.2 standard deviations. Translating this to the data above:

- ‘major gap’ - a difference greater than 30 points is considered a significant gap
- ‘small gap’ - a difference from 15 to 30 points is potentially a significant gap
- ‘gap not significant’ - a difference less than 15 points is considered not a significant gap.
the gap increases as the proportion of Aboriginal students in a school increases

Exhibit 4: NAPLAN Reading: Difference in mean scores between Aboriginal and non-Aboriginal students by Aboriginal student enrolment percentage, 2011

<table>
<thead>
<tr>
<th>Aboriginal Students Enrolment %</th>
<th>Year 3 Mean Score Gap</th>
<th>Year 5 Mean Score Gap</th>
<th>Year 7 Mean Score Gap</th>
<th>Year 9 Mean Score Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5%</td>
<td>33.96</td>
<td>36.37</td>
<td>25.72</td>
<td>20.68</td>
</tr>
<tr>
<td>Between 5% and 10%</td>
<td>34.90</td>
<td>36.16</td>
<td>28.28</td>
<td>28.30</td>
</tr>
<tr>
<td>Between 10% and 15%</td>
<td>41.03</td>
<td>32.67</td>
<td>35.29</td>
<td>35.50</td>
</tr>
<tr>
<td>Between 15% and 20%</td>
<td>34.69</td>
<td>43.98</td>
<td>41.23</td>
<td>40.97</td>
</tr>
<tr>
<td>Between 20% and 25%</td>
<td>43.89</td>
<td>38.60</td>
<td>39.05</td>
<td>44.83</td>
</tr>
<tr>
<td>Greater than 25%</td>
<td>49.81</td>
<td>36.13</td>
<td>59.50</td>
<td>53.75</td>
</tr>
</tbody>
</table>

Source: NSW Department of Education and Communities, 2011.

schools with major gaps are as likely to be found in major cities and inner regional areas, as in more remote areas
the size of the gap increases with remoteness.

Exhibit 5: NAPLAN Reading: Difference in mean scores between Aboriginal and non-Aboriginal students by geolocation, 2011

<table>
<thead>
<tr>
<th>Geolocation</th>
<th>Year 3 Mean Score Gap</th>
<th>Year 5 Mean Score Gap</th>
<th>Year 7 Mean Score Gap</th>
<th>Year 9 Mean Score Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major cities</td>
<td>31.13</td>
<td>29.72</td>
<td>24.84</td>
<td>17.56</td>
</tr>
<tr>
<td>Inner regional</td>
<td>41.27</td>
<td>42.96</td>
<td>38.00</td>
<td>37.02</td>
</tr>
<tr>
<td>Outer regional</td>
<td>51.38</td>
<td>48.12</td>
<td>45.28</td>
<td>54.39</td>
</tr>
<tr>
<td>Remote</td>
<td>64.14</td>
<td>24.64</td>
<td>53.16</td>
<td>57.92</td>
</tr>
<tr>
<td>Very remote</td>
<td>99.58</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Source: NSW Department of Education and Communities, 2011.

The size of the gap, while it can be readily measured, tells little about the factors that contribute to the results shown above. There are many factors outside of a school’s control that impact educational outcomes for Aboriginal students. These include:

School-related factors:
- past negative experiences of school, compounded by the experiences of parents and other family members
- poor school performance and the ability to keep up with school having a negative impact on school attendance and retention
- poor student-teacher relationships, feelings of social isolation, racial discrimination or bullying and learning difficulties.
Non-school factors:

- low parental or family engagement with the education system
- compared to non-Indigenous counterparts, a higher risk of clinically significant emotional and behavioural difficulties, including developmental problems, carer illness, poor parenting and poor family function
- language barriers, often linked to differences between the language spoken at home and at school
- low household income, which often means that families are not able to cover school fees and other school-based costs
- limited access to or use of mainstream services
- poor health and nutrition
- poor housing and poor or unsafe community environments.

Source: Department of Education and Communities, The Psychological and Emotional Wellbeing needs of Children and Young People: Models of Effective Practice in Educational Settings, 2011.

We observed schools operating in greatly differing circumstances. Some schools operate in Aboriginal communities which are stable and united by a single language. Others in communities that are fragmented and transient.

Gains in education may be limited unless other aspects of socioeconomic disadvantage are improved, such as health, nutrition, housing and employment.

Similar to other states and territories, the Aboriginal population for New South Wales is a young population with thirty-five per cent being less than fifteen years of age. The NSW Aboriginal population is younger than the NSW non-Aboriginal population, and NSW Aboriginal population growth is double that of the general population. The enrolment of Aboriginal students has almost tripled since 1988 (Appendix 3). It has been estimated that the Aboriginal population of New South Wales will grow by thirty-five per cent between 2006 and 2021. As a result, given that the gap remains unchanged in percentage terms, there are increasing numbers of Aboriginal students who are falling behind.
Key findings

2. Are appropriate targets set for literacy attainment and translated through to regions and schools to guide school planning and teaching?

Finding

Targets are set for the literacy attainment of all students, and translated through to regions and schools. However, State targets for ‘closing the gap’ for Aboriginal students are not directly translated through to regions and schools. The State-wide target for closing the gap is not proving very useful at region or school level.

The Department does not analyse the relative contributions of non-school factors to the literacy gap of Aboriginal students. As a result, it lacks an objective basis on which to allocate resources and assess what can reasonably be expected from each intervention.

The Department lacks realistic targets that it can use to assess performance and guide the allocation of resources. Current timeframes for change do not appear reasonable, given the complexity of the factors affecting education outcomes.

Targets applying to all students

State targets for literacy attainment are translated through to regions, and to school education areas within regions. Schools are required to set their own targets, using a target-setting tool which shows what other similar schools have been able to achieve. School plans and targets need the endorsement of the regional school education directors.

Although there is no requirement to do so, some schools link the targets in their school management plan to what is being done in the classroom. This involves cascading the school's targets through to teachers and classes, and then through to individual students.

Targets applying specifically to Aboriginal students

Within the above, State targets and regional targets are set for the literacy attainment of Aboriginal students as a group – ‘raising the bar’.

State targets for ‘closing the gap’ for Aboriginal students are not directly translated through to regions and schools. As a result, there is no ready basis for assessing improvements in ‘closing the gap’ at the region and school level.

The State-wide target for closing the gap is not proving very useful at region or school level.

In its place, we observed the performance of schools being assessed at a regional level by comparing the change in aggregate performance of Aboriginal students within the school and within the region, with the performance of Aboriginal students’ average region-wide or State-wide. This does not indicate how much they are closing the gap in performance. However, we agree with schools that this is a more operationally-relevant measure than closing the gap.

Although there is no requirement, some schools have set targets in their school management plans to progressively close the gap in their school in the next few years, in line with the State targets.

Other schools set targets using the same approach for all students, regardless of Aboriginality and with no reference to ‘closing the gap’. For example, they may assign targets for each student based on their assessment of the individual’s capability.

Contributing factors to the gap include a range of non-school factors as outlined earlier. We found no analysis of the relative contributions of these factors to the literacy gap of Aboriginal students. Without understanding their relative contributions to the gap, the Department lacks an objective basis on which to allocate resources and assess what can reasonably be expected from each intervention.
Targets need to be set for individual students with full recognition of non-school factors.

The Department lacks realistic targets that it can use to assess performance and guide the allocation of resources. Current timeframes for change do not appear reasonable, given the complexity of the factors affecting education outcomes.

**Recommendations**

The Department needs more realistic targets with which to assess its progress in improving the literacy of Aboriginal students. All schools should set targets for Aboriginal students based on a realistic assessment of each individual’s capability.

3. **Are there effective arrangements in place to identify those children in need of additional support?**

**Finding**

There are a number of ways to identify those children in need of additional support. There is a risk that these are not adopted in a timely manner, and may not be applied consistently within schools or between schools. As a result, there is no assurance that all Aboriginal students in need are identified in sufficient time.

Students requiring additional support are identified in a number of ways including:

- evidence from the Best Start Kindergarten assessment
- teachers’ professional judgement
- specific literacy assessments
- school-based assessment procedures linked to NSW syllabus stage outcomes
- analysis and monitoring of student achievements and growth as measured by NAPLAN data.

Specific literacy assessments include:

- Kindergarten literacy intervention program, Language, Learning and Literacy
- a process for prioritising students referred to in the early years reading and writing intervention program Reading Recovery
- professional learning program, Literacy on Track
- literacy professional learning program, Focus on Reading.

However, there is a risk that these measures are not adopted in a timely manner, and may not be applied consistently within schools or between schools. As a result, there is no assurance that all Aboriginal students in need are identified in sufficient time.

A Literacy Continuum describes literacy learning from kindergarten to Year 6. The continuum defines eight aspects of literacy found in the research to be critical to successful literacy acquisition. Key developmental points are signalled by clusters of markers along the continuum. The continuums are not used widely yet. The Department advises that the wider systemic use of the Literacy Continuums for tracking and monitoring of all students will need to progressively be made available to all teachers.

Best Start offers the prospect of a more standardised and more consistent means of student assessment – with the advantage of being more timely than the two yearly NAPLAN tests. Software linked to each student’s enrolment record assists teachers to record and analyse data and monitor student progress over time. It is presently being used in Kindergarten.
KEY FINDINGS

Early intervention is critical in improving the literacy of Aboriginal students. Almost 70 per cent of Aboriginal children who commenced Kindergarten in 2011 were rated level 0 in their Best Start Kindergarten assessment. This means, for example, they were unable to hold books correctly, identify writing or read any words in a sentence correctly, and could only tell a story based on pictures. Best Start is being trialled for Years One and Two, and will be available next year for this. It could potentially be developed to extend through to secondary school. It enables a school education officer to visit the school and readily view the growth achieved. It yields early learning plans that link directly to the syllabus and support documents. It can be used for personalised learning plans. There is potential benefit in developing the use of Best Start up to Year Six and into secondary school for Aboriginal students who are falling behind.

Recommendations

The Department needs more standardised, consistent and practical tools for assessing and diagnosing student performance. A wider use of the Literacy Continuum and further development of diagnostic tools like Best Start appear to offer the best prospect of this.

4. Are there interventions put in place together with monitoring arrangements to assess their effectiveness?

Finding

The Department has focused on the need to improve Aboriginal education. An extensive range of programs can be used to assist students, but there is no means of ensuring every student in need receives the additional support necessary. This depends on local variables such as the size of the school, number of children requiring additional support, geographical location, access to regional and state resources and staff expertise.

While there are mechanisms within schools, there is no systematic and consistent approach across the State as to the level of intervention needed to respond to the achievement gap between Aboriginal and non-Aboriginal students.

Current data collection does not allow the Department to monitor how well students at risk are being assessed or whether all those in need are being reached by the programs on offer.

There is no system to warn if an Aboriginal student identified as being in need of additional support is not receiving that support. There is no ‘safety net’ to catch Aboriginal students who are not targeted under the present funding arrangements.

The Department suggests, but does not require, the development of a ‘literacy plan’ for students who have scored in the bottom two bands of NAPLAN for their year.

There is no equivalent of a quality assurance system to ensure that interventions actually do occur as needed on a timely basis. There is no routine educational audit as part of such a system.

There is no State-wide system that records and tracks student interventions and outcomes in a consistent manner for all Aboriginal students at risk of falling behind.

The Department has developed an extensive range of interventions to assist all students who are experiencing difficulties with literacy. Of these, the Focus on Reading (Years 3–6), Language, Literacy and Learning (L3), Accelerated Literacy, Reading Recovery, Reading to Learn and Multilit programs appear to be the most common.

It also has interventions largely directed at overcoming cultural disadvantage associated with Aboriginality. For example, A Connecting to Country program educates teachers in local Aboriginal culture and history.
Exhibit 6: Some interventions schools use to improve the literacy of Aboriginal students

- A school community partnership agreement between the school, families and Aboriginal communities
- Aboriginal community members employed as in-class tutors
- pre-schools, transition to school programs
- assessments which make it possible to put programs in place for students as soon as they arrive in kindergarten
- personalised learning plans that are updated using NAPLAN results and input from parents, Year Advisers, the Aboriginal Education Officer and Head Teachers
- a school attendance plan, in consultation with parents and the Aboriginal community, which includes targets for improved attendance
- an Aboriginal Education Officer who can liaise with parents and build community relationships
- microphones worn by teachers and students or hearing loops to support students with hearing difficulties
- learning support staff to enable one-on-one attention in small classes or groups
- homework centres, libraries, Books in Homes programs and holiday study workshops
- individual professional learning plans for all staff, which includes training in Reading to Learn and Accelerated Literacy
- teachers employing Aboriginal learning processes such as story-telling, the use of symbols, ‘hands-on’ methods and emphasising relevance to community and country.

Coota Gulla is an Aboriginal preschool at Liverpool West Public School.

The NSW Quality Teaching model focuses attention on quality teaching in public schools and provides a framework to improve classroom practice.

While there are many forms of intervention available, there is no assurance that all Aboriginal students will receive the intervention they need at the right time.

The delivery of these programs is dependent on schools knowing what is needed, what is available, what works best, whether funding is available, and the skills and ability of the classroom teacher.
Individual schools use funds from a variety of sources to support their literacy efforts. In relation to Aboriginal students these include the Department’s Norta Norta program, Wambinya pilot program, Country Areas Program, and the National Partnerships on Low Socio-economic Status School Communities, Literacy and Numeracy, and Improving Teacher Quality. The Australian Government’s *Indigenous Education (Targeted Assistance) Act 2000* also provides funding for programs and projects such as the Indigenous Parental and Community Engagement, Indigenous Youth Mobility, Indigenous Youth Leadership and Sporting Chance.

These funds have different criteria that may overlap. This means that some schools may have multiple sources of assistance, while other schools with Aboriginal students in need of support may not qualify for assistance. Most funding programs are limited to two, three or four years limiting a school’s ability to plan long-term support for students at risk, including the ability to retain skilled staff.

In December 2011, the Australian Government’s *Review of Funding for Schooling* recommended development of a schooling resource standard as the basis for general recurrent funding of government and non-government schools. In March 2012, the Department announced that it would develop a new ‘resource allocation model’ and allow school principals to manage more than 70 per cent of the school education budget. If they include universal criteria that are applied consistently, these measures have the potential to overcome some of the shortcomings identified above. This will need careful design and implementation.

**Exhibit 7: Example of interventions used in a Western New South Wales primary school**

A school in a rural area with gold mining and farming has a number of programs to engage Aboriginal students and the local community.

These include:

- “Link Up to School” which is a full year transition program for getting young children ready for school and getting to know their parents
- “Big Hugs” program where students get a pat on the back, token or a jelly bean for anything good
- an Aboriginal language program to build better cultural understanding within the community
- a kitchen garden program that helps to make learning more meaningful for the students
- an attendance reward program where each child is rewarded with ‘funny money’ for each day of attendance. The funny money can be spent at an auction at the end of each term.

We asked whether there is any guidance as to the level of intervention needed in response to the achievement gap observed. We were advised that there was no systematic and consistent approach across the State, directly related to the achievement gap between Aboriginal and non-Aboriginal students.

Current data collection does not allow the Department to monitor how well students at risk are being assessed or whether all those in need are being reached by the programs on offer.

There is no system to warn if an Aboriginal student identified as being in need of additional support is not receiving that support. There is no ‘safety net’ to catch Aboriginal students who are not targeted under the present funding arrangements. This may be because their socio-economic circumstances or family circumstances are hidden within a larger group of students, because their poor performance is hidden within a larger group of students or because they have failed or are at risk of failing to achieve minimum standards in some areas but have not failed in all areas.
Although we saw no examples for Aboriginal students, the resource From Assessment to Programming, published in 2009, suggests a ‘literacy plan’ for students who have scored in the bottom two bands of NAPLAN for their year.

An individual literacy plan can be developed through the collaborative consultation planning process which includes the parents/carers in a meeting with people who have significant knowledge of the student, such as the classroom teacher, year supervisor and learning support personnel.

A literacy plan will target the most important literacy skills the student needs to develop. It will list the priorities for instruction, the relevant syllabus outcomes, indicators of achievement, teaching strategies, resources and accommodations, monitoring procedures, time frames and personnel responsible for implementing the plan. The plan needs to be developed and implemented within the context of the class literacy program. It is important to identify which outcomes can be addressed by the class literacy program and which require individualised planning. Support personnel, such as the Support Teacher Learning Assistance or the ESL teacher, if available, can have an important role in working collaboratively with class teachers to plan, implement and monitor individualised programs.

Where more than one student is identified with similar needs it may be appropriate to develop a group literacy plan to meet their specific needs.

Source: Department of Education and Communities, From Assessment to Programming, 2009.

There is no equivalent of a quality assurance system to ensure that interventions actually do occur as needed on a timely basis. There is no routine educational audit as part of such a system.

There is no State-wide tracking system that shows who the Aboriginal students are, where they are living and how well they are performing. There is no requirement to systematically record and track student interventions and outcomes in a consistent manner for all Aboriginal students at risk of falling behind. There is no ready means of ensuring that interventions are put in place or alternatively determining how many Aboriginal students miss out on the support they need.

Our 2008 audit recommended that the Department should ensure its new management systems were fully developed by December 2010 and quickly put to use to enable the effective tracking and analysis of student performance and students needs over time. However, the new system is now not expected to be fully operational before 2015. The delay is regrettable. When it is implemented it is expected to significantly improve the management of student progress by systematically recording:

- student assessment results into an electronic markbook with electronic access to others including relief teachers, casual staff, team teachers and Learning Support staff
- student participation in terms of total hours engaged in learning, number of tasks completed, number of contacts with teachers/mentors and learning outcomes achieved
- student progress in an electronic student learning plan, with milestones for achievement.

**Recommendations**

- The Department needs to ensure that all Aboriginal students who perform at or below National standards in literacy are provided with the additional support they need by:
  - setting criteria to identify those Aboriginal students eligible for additional literacy support, and the nature of the support required
  - keeping data on the targeted use of literacy support programs in schools
  - specifying the interventions needed for Aboriginal students who have scored in the bottom two bands of NAPLAN for their year
  - systematically tracking students in need, the instances of intervention and the resulting performance outcomes
  - conducting routine educational audits.

- As recommended in our 2008 audit, the Department needs to ensure its new management systems are fully developed and quickly put to use to enable the effective tracking and analysis of student performance and students needs over time.
5. Does the Department enlist the help of parents and Aboriginal community to support the learning of their children?

Finding

Schools use a variety of means to increase the involvement of Aboriginal parents and the Aboriginal community such as programs that promote cultural awareness, language and the development of personalised learning plans. This in turn can lead to more positive student attitudes. These efforts constitute a critical ‘enabler’ of improved learning.

However, we found no ready measure of the success or otherwise of the Department’s efforts to promote the involvement and support of Aboriginal parents and the Aboriginal community.

The Department has been redeveloping its website to improve the accessibility of information for teachers and parents. However, over half of Indigenous households have no internet access.

Schools particularly benefit from the support of Aboriginal field staff but, due to growth and movement in the Aboriginal population, their allocation to schools is no longer aligned with the distribution and needs of Aboriginal students.

Some local Aboriginal Educational Consultative Group (AECG) representatives do not have access to information on the performance of Aboriginal students, as a group, at individual schools. As a result, they can be poorly placed to know where progress is being made and where the biggest problems are.

Around half of the Aboriginal students have Personalised Learning Plans (PLPs). The content varies from school to school. There is no standard template (or checklist of what must be included) and no minimum frequency requirement for updating a student’s progress. Many PLPs have been developed with no parental involvement.

Schools use a variety of means to increase the involvement of Aboriginal parents and the Aboriginal community - such as programs that promote cultural awareness, language, and the development of personalised learning plans. Schools have been working at this for many years. We found no ready measure of the success or otherwise of the Department’s efforts to promote the involvement and support of Aboriginal parents and the Aboriginal community.

The Department has been redeveloping its website to improve the accessibility of information for teachers and parents about the range of supports available for students with additional learning needs. But web facilities like www.schoolatoz.nsw.edu.au are of no use to those Aboriginal parents who lack the necessary online access. In the 2006 Australian Bureau of Statistics Census 57 per cent of Indigenous households reported having no internet access, compared with 36 per cent of other households. In very remote areas 87 per cent reported having no internet access.

The task of enlisting the help of the parents is made more difficult if their students are from single parent families, are frequently moved from school to school, parents are homeless, parents have poor literacy skills or lack the knowledge of what support is needed. Family attitudes are passed onto students and can affect a student’s willingness to learn. It can also be difficult for schools to gain acceptance by a community when the teaching staff do not live in, or even near, that community.

Additionally, responsibility for individual students may be seen by the Aboriginal community as not just the concern of the biological parents, but of the entire community. This extended family structure can include:

- blood-related (mum, dad, brother, sister, grandmother/ father, cousin, aunty, uncle)
- marriage (aunty, uncle, cousin)
- community (Elder, neighbour, friend, organisation)
- kinship system (aunty, uncles, cousins or Elders)
- non-related family (Elder, friend, community member).
Schools particularly benefit from the support of Aboriginal staff as evidenced by the following references, and confirmed by our own observations:

Aboriginal field staff are critical to the implementation of policies and practices at the local and regional level, and to the success of programs and services.


Indigenous presence in the school – the involvement of Indigenous people at the school in a range of capacities, both employed and voluntary, increased parents and positive perceptions of the school. Their presence was an important factor for some parents, knowing who was there to ‘watch over’ their children, rather than entrusting ‘the system’ with this responsibility.


The Department has around 400 Aboriginal field staff that support schools in engaging Aboriginal students and developing effective home, school and community relationships. These include regional teaching specialists, learning support officers and community liaison officers.

In particular, Aboriginal Education Officers work directly with Aboriginal students and families. There are a capped number of 312 permanent positions for Aboriginal Education Officers. The positions were allocated to schools following the 2004 Review of Aboriginal Education, in consultation with the AECG. The allocation was based on a school application process and the number of Aboriginal students at the school (30 or more). Due to growth and movement in the Aboriginal population, some positions now no longer serve the communities with the highest numbers of Aboriginal students. Some schools that now have more than 30 Aboriginal students are poorly supported. In our view, the adequacy and the allocation of this essential resource need to be periodically reviewed.

NSW Aboriginal Education Consultative Group (AECG) is the peak community advisory body on Aboriginal education and training. The Department and its regions have formal partnership agreements with the AECG and over 300 schools have entered into local AECG/school partnership agreements. Its members provide schools with advice on Aboriginal needs and perspectives and generally assist in communications with the Aboriginal community. However, we observed that its field representatives do not necessarily have access to information on the performance of Aboriginal students at individual schools. As a result, they can be poorly placed to know where progress is being made and where the biggest problems are.

Schools have a natural incentive to emphasise the positive. But there is a real need to also highlight poor performance and identify those that are missing out. All AECG representatives and parents need to know how well individuals and class cohorts are performing and who is missing out on the extra support and tuition they need.

In 2004, the Department and the AECG decided that each Aboriginal student should have a personalised learning plan (PLP), developed by the school in partnership with parents/caregivers. The plan should include targets for learning against syllabus outcomes and agreed family support strategies, e.g. home reading strategies, attendance and transition from primary to secondary education. We found that:

- Around half of the Aboriginal students State-wide now have personalised learning plans. Once a PLP has been prepared, it needs to be reviewed on a regular basis – ideally at least once a term.
- PLPs are seen mainly as a tool for engaging parents. But many PLPs have been developed with no parental involvement. Schools can find it difficult to get parents to attend and engage in a three way parent/teacher/student interview.
- Resourcing is also seen as an issue. Schools with large numbers of Aboriginal students rely on the support of Aboriginal field staff, or specific funding support, to assist in preparing the plans and engaging the parents. We found that some schools only developed PLPs for students with particularly complex needs.
KEY FINDINGS

- There is no standard template (or checklist of what must be included) and no minimum frequency requirement for updating a student’s progress. For example, schools are not obliged to include the results of a student’s assessments in the PLPs. Nor are schools obliged to include a review of a student’s performance in literacy and measures to improve that performance, such as by inclusion of a literacy plan for all students at risk of falling behind.

Teachers cannot teach literacy to students who do not attend school. The reported State-wide attendance rate for Aboriginal students is 85 per cent compared to 92 per cent for non-Aboriginal children. This means that, on average, Aboriginal students are losing four to five weeks of schooling a year. In some towns the rates of attendance are much lower.

Since 2011, the Department has been implementing new guidelines on supporting student attendance. The guidelines require schools to be proactive in addressing attendance issues. Schools with poor attendance rates are required to develop attendance action plans. Schools are also expected to identify individual students who are failing to regularly attend, and to implement strategies to address this. Many schools rely on Aboriginal field staff to assist in this.

In 2011, the NSW Ombudsman concluded more should be done here. We agree.

As part of a comprehensive approach to improving school attendance in Aboriginal communities, there is also a need for more Aboriginal people to be permanently employed in school-based positions that are able to work flexibly with children and their families in a supportive way.

Source: NSW Ombudsman, Addressing Aboriginal disadvantage: the need to do things differently, 2011.

Recommendations

- The Department needs a means of routinely evaluating the effectiveness of schools’ efforts to promote the involvement and support of Aboriginal parents and the Aboriginal community.

- The Department needs to periodically review the resourcing and allocation of Aboriginal field staff.

- The Department needs to ensure all AECG representatives are provided with information on the performance of Aboriginal students and their progress at school level, and where the biggest problems are and where intervention is needed.

- The Department needs to evaluate the design and effectiveness of PLPs, now that it has several years of experience in their use by schools. It needs to specify minimum content and frequency, with the inclusion of a literacy component for all students at risk of falling behind.

6. Does the Department evaluate the efficiency and effectiveness of its programs?

Finding

The Department does not routinely evaluate the cost effectiveness of its programs and measures, using studies of individuals over time to assess their specific impact on Aboriginal literacy. As a result, it is unable to ensure that it gets the best improvement in Aboriginal literacy from the funds available, or that it can accurately identify the funding required to provide a specified improvement in Aboriginal literacy.

A range of data is provided to schools in relation to external testing – NAPLAN and HSC. Other performance indicators collected by schools come from attendance and suspension data, and retention and participation data.
Schools may also access a range of publications, studies and websites for advice on what measures appear to work best to help Aboriginal students. The Australian Government’s What Works website provides a good example. Many of these programs require additional funding to operate raising the need for evaluation to help them decide what is the most cost effective. For example, one-on-one teaching and tutoring programs are much more costly to deliver than group programs, but are likely to be more effective.

The additional funding is generally used for a particular project. But the emphasis in any evaluation is often on how resources were used, rather than on the outcomes achieved. Improved test results may be apparent when a school that has received additional funding is compared to a school that did not receive such funding. But, as most programs and measures tend to be short-term, there are then questions about the sustainability of improvements once the additional funding stops.

There have been some major program evaluations. For example, a NSW study examining the effectiveness of the MULTILIT (Making Up Lost Time in Literacy) program found that children from low socio-economic backgrounds who were low-progress readers could improve their literacy skills significantly with an intensive skills-based remedial reading and spelling program over two school terms. It also found that gains made by Aboriginal students were just as great as those made by non-Aboriginal students.

More generally, evaluative work on Aboriginal programs has been limited:

Much of the work undertaken in relation to programs for Aboriginal students has reportedly been short term and piecemeal, or has not been evaluated in a robust way.


We found that the Department does not routinely evaluate the cost effectiveness of its programs and measures, using studies of individuals over time to assess their specific impact on Aboriginal literacy. As noted earlier in relation to student performance, the Department lacks systems with which to routinely track the progress of individual Aboriginal students and assess the effects of different interventions. Also, it can be difficult to assess the effect of a measure in improving the literacy of Aboriginal students when a number of factors may be affecting student outcomes and when other areas of disadvantage may be present.

The lack of such evaluations is not restricted to the literacy of Aboriginal students, as observed by the Ministerial Advisory Group:

The Advisory Group was not presented with evidence to compare the various literacy and numeracy interventions in terms of efficacy, or cost-effectiveness. The Advisory Group does not accept that comparative evaluation in these terms is inappropriate or impossible.


Recommendations

The Department needs to routinely evaluate the efficiency and effectiveness of its programs and measures to improve the literacy of Aboriginal students.
Appendix 1: About the Audit

Audit objective
This audit examined whether the Department’s processes to improve the literacy of Aboriginal students are likely to be successful.

Audit criteria
In answering the audit objective, we used the following audit criteria. The Department:

- ensures that appropriate targets are set for literacy attainment and translated through to regions and schools to guide school planning and teaching
- ensures that there are effective arrangements in place to identify those children in need of additional support
- ensures that interventions are put in place together with monitoring arrangements to assess their effectiveness
- enlists the help of parents and the aboriginal community to support the learning of their children
- evaluates the efficiency and effectiveness of its programs.

Audit scope
This audit focused on the efforts of NSW public schools in improving the literacy of Aboriginal students.

Audit approach
We acquired subject matter expertise through:

- interviews and examination of relevant documents including guidelines, reports, studies and reviews relating to Aboriginal literacy
- discussions with relevant staff of the Department of Education and Communities
- discussions with representatives of key stakeholders
- comparisons where appropriate with other states
- government and best practice guidelines relevant to the above.

Audit fieldwork
We had regular discussions with relevant offices in the Department including access and equity, learning and development, educational measurement, finance, student evaluation bureau, human resources and internal audit.

We met with the regional management of:

- Western Sydney
- South Western Sydney
- Hunter and Central Coast
- Western New South Wales
- Riverina.

We also visited a small number of schools around the state to better understand how schools are working to improve the literacy of Aboriginal students and to help confirm the advice we received from the Department and regional management. The schools represented a range of performance characteristics, size of Aboriginal cohorts, socio-economic status and geolocation.
Audit selection
We use a strategic approach to selecting performance audits which balances our performance audit program to reflect issues of interest to parliament and the community. Details of our approach to selecting topics and our forward program are available on our website.

Audit methodology
Our performance audit methodology is designed to satisfy Australian Audit Standards ASAE 3500 on performance auditing, and to reflect current thinking on performance auditing practices. We produce our audits under a quality management system certified to International Standard ISO 9001. Our processes have also been designed to comply with the auditing requirements specified in the Public Finance and Audit Act 1983.

Acknowledgements
We gratefully acknowledge the cooperation and assistance provided by the Department of Education and Communities, including the regional and local school staff. In particular we wish to thank our liaison officers and staff who participated in interviews and provided material relevant to the audit.

We were also assisted by discussions with a range of external bodies including:
- NSW Aboriginal Education Consultative Group (including their local representative staff in Western New South Wales, Riverina, Western Sydney, South Western Sydney and Central Coast)
- NSW Teachers Federation
- COAG Reform Council
- NSW Primary Principals’ Association
- NSW Secondary Principals’ Council.

Audit team
Our team leader for the performance audit was Chris Yates, who was assisted by Jasmina Munari. Sean Crumlin provided direction and quality assurance.

Audit cost
Including staff costs, printing costs and overheads, the estimated cost of the audit is $210,000.
## Appendix 2: Evidence of continuing poor performance

The NSW test results for the decade to 2011 show a significant continuing gap, with no discernible improvement.

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### Notes

- These tables show the proportion of students in NSW public schools in the top five bands (at and above minimum standard), top four bands (above minimum standard) and top two bands (proficient) in each year tested, using the NAPLAN test results.
- Students who fail to reach top four are ‘at or below minimum standard’. These students are at risk of falling behind.
Appendix 2: Evidence of continuing poor performance (continued)

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<th>Year</th>
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NSW testing programs from 2001 to 2007 also demonstrate the continuing performance gap, as per the tables below.
Appendix 3: Increasing enrolment of Aboriginal students

In 2010, over 42,000 Indigenous students were enrolled in NSW Government schools across the State, almost three times more than those enrolled in 1988. Of this number more than 25,000 students were enrolled in primary schools, and 16,000 in secondary schools.

Exhibit: Enrolments of Aboriginal and Torres Strait Islander Students, 1988 to 2010

Performance auditing

What are performance audits?

Performance audits determine whether an agency is carrying out its activities effectively, and doing so economically and efficiently and in compliance with all relevant laws.

The activities examined by a performance audit may include a government program, all or part of a government agency or consider particular issues which affect the whole public sector. They cannot question the merits of government policy objectives.

The Auditor-General’s mandate to undertake performance audits is set out in the Public Finance and Audit Act 1983.

Why do we conduct performance audits?

Performance audits provide independent assurance to parliament and the public.

Through their recommendations, performance audits seek to improve the efficiency and effectiveness of government agencies so that the community receives value for money from government services.

Performance audits also focus on assisting accountability processes by holding managers to account for agency performance.

Performance audits are selected at the discretion of the Auditor-General who seeks input from parliamentarians, the public, agencies and Audit Office research.

What happens during the phases of a performance audit?

Performance audits have three key phases: planning, fieldwork and report writing. They can take up to nine months to complete, depending on the audit’s scope.

During the planning phase the audit team develops an understanding of agency activities and defines the objective and scope of the audit.

The planning phase also identifies the audit criteria. These are standards of performance against which the agency or program activities are assessed. Criteria may be based on best practice, government targets, benchmarks or published guidelines.

At the completion of fieldwork the audit team meets with agency management to discuss all significant matters arising out of the audit. Following this, a draft performance audit report is prepared.

The audit team then meets with agency management to check that facts presented in the draft report are accurate and that recommendations are practical and appropriate.

A final report is then provided to the CEO for comment. The relevant minister and the Treasurer are also provided with a copy of the final report. The report tabled in Parliament includes a response from the CEO on the report’s conclusion and recommendations. In multiple agency performance audits there may be responses from more than one agency or from a nominated coordinating agency.

Do we check to see if recommendations have been implemented?

Following the tabling of the report in parliament, agencies are requested to advise the Audit Office on action taken, or proposed, against each of the report’s recommendations. It is usual for agency audit committees to monitor progress with the implementation of recommendations.

In addition, it is the practice of Parliament’s Public Accounts Committee (PAC) to conduct reviews or hold inquiries into matters raised in performance audit reports. The reviews and inquiries are usually held 12 months after the report is tabled. These reports are available on the parliamentary website.

Who audits the auditors?

Our performance audits are subject to internal and external quality reviews against relevant Australian and international standards.

Internal quality control review of each audit ensures compliance with Australian assurance standards. Periodic review by other Audit Offices tests our activities against best practice. We are also subject to independent audits of our quality management system to maintain certification under ISO 9001.

The PAC is also responsible for overseeing the performance of the Audit Office and conducts a review of our operations every three years. The review’s report is tabled in parliament and available on its website.

Who pays for performance audits?

No fee is charged for performance audits. Our performance audit services are funded by the NSW Parliament.

Further information and copies of reports

For further information, including copies of performance audit reports and a list of audits currently in-progress, please see our website www.audit.nsw.gov.au or contact us on 9275 7100.
# Performance audit reports

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**Performance audits on our website**

A list of performance audits tabled or published since March 1997, as well as those currently in progress, can be found on our website [www.audit.nsw.gov.au](http://www.audit.nsw.gov.au).
The role of the Auditor-General

The roles and responsibilities of the Auditor-General, and hence the Audit Office, are set out in the Public Finance and Audit Act 1983.

Our major responsibility is to conduct financial or ‘attest’ audits of State public sector agencies’ financial statements.

Financial audits are designed to add credibility to financial statements, enhancing their value to end-users. Also, the existence of such audits provides a constant stimulus to agencies to ensure sound financial management.

Following a financial audit the Audit Office issues a variety of reports to agencies and reports periodically to parliament. In combination these reports give opinions on the truth and fairness of financial statements, and comment on agency compliance with certain laws, regulations and government directives. They may comment on financial prudence, probity and waste, and recommend operational improvements.

We also conduct performance audits. These examine whether an agency is carrying out its activities effectively and doing so economically and efficiently and in compliance with relevant laws. Audits may cover all or parts of an agency’s operations, or consider particular issues across a number of agencies.

Performance audits are reported separately, with all other audits included in one of the regular volumes of the Auditor-General’s Reports to Parliament – Financial Audits.

In accordance with section 38E of the Public Finance and Audit Act 1983, I present a report titled Improving the literacy of Aboriginal students in NSW public schools: Department of Education and Communities.

Peter Achterstraat
Auditor-General
8 August 2012

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New South Wales Auditor-General’s Report
Performance Audit
Improving the literacy of Aboriginal students in NSW public schools
Department of Education and Communities