

Wednesday, 13 January 2016

Senator Katy Gallagher
Chair
Finance and Public Administration References Committee
Parliament House
CANBERRA ACT 2600

Dear Senator Gallagher

Family & Relationship Services Australia (FRSA) welcomes the opportunity to provide input to the Finance and Public Administration References Committee's Inquiry into the Commonwealth's Indigenous Advancement Strategy tendering processes.

By way of background, FRSA is the national representative body for 182 not-for-profit organisations that provide family and relationship services to approximately 400,000 families at 1,300 outlets across Australia each year. Member organisations receive a mix of federal, state and territory and local government funds to deliver a range of services including:

- Accommodation & Housing Services
- Children's Services
- Children's Contact Services & Parenting Orders Program
- Community Services & Playgroups
- Communities for Children
- Disability & Mental Health Services
- Family and Relationship Services
- Children and Parenting Services (including Intensive Family Support)
- Family Violence Services
- Mediation, Family Dispute Resolution & Family Therapy
- Men & Family Services
- Youth Services
- Adult Specialist Support (including Find and Connect, Forced Adoption Support Services and Royal Commission Community-Based Support Services).

Background

Nineteen member organisations were previously funded by the Department of Social Services (DSS) to deliver Indigenous parenting, family safety, playgroups and communities for children services. These organisations continue to receive the majority of their funds for other services they deliver from DSS. With the shift of Indigenous programs to Prime Minister and Cabinet (PM&C), organisations must now maintain relationships with two Commonwealth Government agencies and comply with different reporting, accountability and tendering processes. In short, what was previously administered largely under the one programme within DSS has now been split across a number of activities within DSS and PM&C. Instead of reducing red-tape, this change has increased the administrative burden for members, without tangible gains. At the

same time, centralised administration has been outsourced by both PM&C and DSS to their respective State and Territory Office Networks. Member organisations have had to navigate these changes within a short period and keep abreast of multiple policy and contact points, while continuing to deliver front-line services.

We have surveyed our members and provide the following information relevant to the Inquiry's terms of reference. We conclude by offering suggestions on how to improve future tender rounds. Additional feedback from members is at Attachment A.

Programmes applied for and success rate of applications

Most members applied for funding under the Children and Schooling Programme, followed by the Safety and Wellbeing Programme, Culture and Capability and Jobs, Land and Economy Programmes. Only 5% of respondents received all of the funds applied for, even though 55% felt that they had a good understanding of the Indigenous Advancement Strategy (IAS) and the funding process before it commenced. 73% of respondents were successful for part of the funding applied for, while the remaining 23% received no funding.

The majority of respondents were partly funded (ie they were offered part funds in some locations and not others). Feedback indicates that the amounts offered were significantly less than those previously provided and/or applied for (50-90% less), making service delivery no longer viable or significantly reduced.

When submissions for funding are prepared, applicants base their claims on what is viable for the location and service type. Applicants utilise economies of scale and look to leverage off existing resources. When Government makes part offers to applicants, this potentially compromises the viability of the service and any subcontracting or partnership arrangements that may be in place and, consequently, may not represent the most cost-effective approach.

In general terms, the outcomes of the tender process are disappointing largely because not-for-profit organisations have committed significant resources to this process, for what is felt as little gain to clients, community and services (as member organisations train and employ Aboriginal people). The outcomes are also surprising because:

- member organisations are not new to delivering these services,
- these programmes were regularly evaluated by the Commonwealth and continued to be funded until recently, and
- approximately half of the survey respondents felt they had a good understanding of the IAS, what PM&C was looking for and how their applications would be assessed.

This suggests that:

- the programme guidelines were not well defined by PM&C and/or understood by applicants, and/or
- the tender process, expectations and outcomes were not clearly articulated by PM&C and/or understood by applicants, and/or
- other policy drivers significantly influenced the outcomes of the process (eg bringing budget back to surplus, the need to identify savings, meeting departmental efficiencies dividends by reducing program administration etc).

Consultation prior to the tender process

80% of respondents indicated that they were not adequately consulted on the IAS and the programme guidelines. We are unaware of any public consultation on the development of the IAS or programme guidelines and, as a national representative body, were not approached by PM&C for feedback even though we had offered to assist in this process. Applicants were therefore required to familiarise themselves with new programme guidelines, primarily through the PM&C website and at meetings with state and regional offices. Only generic information sessions, on the conduct of the tender process, were delivered. This is not the same as consultation on policy issues and programme guidelines.

The lack of consultation in the development of programme guidelines and after significant programme changes were made are contrary to two of the seven key principles outlined in the Commonwealth Grant Rules and Guidelines namely robust planning and design and collaboration and partnership. In particular, paragraph 7.2 states that officials should work together with stakeholders to plan, design and undertake granting activities, particularly grants programmes. This is because potential grants recipients will likely have valuable insights into how best to design and implement the proposed granting activity and will assist to ensure outcomes are appropriately aligned to public needs.¹ And in paragraph 8.2, officials are encouraged to seek input from potential grant applicants, beneficiaries, relevant industry and community sectors, and other key stakeholders when developing or modifying granting activities as this will:

- improve the design and delivery of granting activities,
- help identify and reduce fragmentation and unnecessary overlaps in granting activities,
- improve the responsiveness, flexibility and relevance of granting activities,
- reduce administration and compliance costs for potential applicants and government,
- aid in the development of appropriate outputs, outcomes, impact measures, accountability requirements, governance structures and grants documentation, and
- encourage potential grant applicants to understand their legal rights and obligations.²

The IAS strategy, programme guidelines and structure of the tender process would have benefitted greatly from input by member organisations who have delivered Indigenous family services for many years.

Policy Changes

The Commonwealth has committed funds from the 2004-05 Budget onwards to the delivery of Indigenous family safety and parenting programs such as the Family Violence Partnership Project (FVPP), the Family Violence Regional Activity Program FVRAP and Communities for Children Indigenous Parenting Services. The first two programs were audited by ANAO in 2007,³ resulting in the development and funding of the Indigenous Family Safety Activity under the Family Support Program (DSS). Communities for Children Indigenous Parenting services (and community partners) were evaluated by Sheather in 2009.⁴ and Flaxman et al in 2009.⁵ In short, these services were regularly evaluated and modified over time and funded organisations delivered the outcomes as prescribed in programme guidelines.

When applicants were asked whether the services they were previously funded to provide by DSS were still eligible for funding under the IAS, just over half said yes (59%) and almost a third

(28%) said no. When we met with PM&C in September 2014, we expressed concern about the IAS guidelines and that most of the services previously provided under one programme now fell under two streams namely the Children and Schooling Programme or the Safety and Wellbeing Programme. We raised the difficulty with demonstrating causality ie that family relationships and parenting support services will increase school attendance and improved educational outcomes. We remain concerned that the outcome indicators do not align well with the description of what the grant funding will be used for.

Additionally, the Safety and Wellbeing Advancement Programme defines community safety largely in terms of reducing family violence and improving health (eg through reducing drug and alcohol misuse). There is no reference to parenting or family wellbeing programmes and the statement that grant funding includes those strategies 'known to enhance community safety' does not shed any further light on what services are within scope. Again, we have raised concern about demonstrating causality ie being able to demonstrate that family wellbeing services reduce violence in communities and/or that drug and alcohol misuse has decreased.

Respondents rated the effectiveness of the IAS policies in terms of meeting programme outcomes as follows:

- 85% rated the incorporation requirements as very poor to satisfactory - 53% found them satisfactory, 21% poor and 11% very poor,
- 84% rated the programme description as very poor to satisfactory – 42% found them satisfactory, 36% poor and 6% very poor,
- 72% rated the programme outcomes as very poor to satisfactory – 44% found them satisfactory, 17% poor and 11% very poor, and
- 82% rated the reporting requirements as very poor to satisfactory – 58% found them satisfactory, 18% poor and 6% very poor.

Respondents spent time and resources sorting out what was required to satisfy the eligibility requirements and what changes, if necessary, needed to be made. Overall, the programme outcomes ranked marginally higher than the programme descriptions. The overall poor rating with regard to policy effectiveness may reflect the lack of consultation with the sector on these matters.

In addition to outcome indicators specified in the programme guidelines, organisations have been advised that they must also meet key performance indicators. Very little information was made available on data requirements at the time of application except for a generic statement that *'providers may be required to collect data to measure how the project contributes to the identified outcomes and strategy objectives. Providers will be asked to collect data and maintain records to assist with performance monitoring.'*⁶ This lack of detail on performance reporting requirements sets providers up to fail and is contrary to the Commonwealth Grants Rules. Paragraph 7.5 requires officials to establish performance and evaluation measures.⁷ Paragraph 8.8, states that officials should ensure that grant guidelines clearly inform potential grant recipients of terms and conditions that recipients will need to meet during the life of the grant, such as financial and performance reporting.⁸ And in paragraph 10.5, when officials adopt an outcomes orientation, they should consider common traps identified by the Australian National Audit Office which include framing performance indicators that are reliant upon data provided by the grant recipient, without validating the recipient's capacity to produce accurate, reliable and complete data.⁹ It is only now, during the negotiation period, that organisations are being informed of the full performance data requirements.

The IAS guidelines state that *PM&C may redirect funding where outcomes are not improving,¹⁰..and this may include reducing or redirecting the scope of funding or ceasing the funding.. and that this may be specified in the funding agreement.*¹¹ However, the draft IAS head agreement provides no detail and organisations have had very little time to negotiate these matters (PM&C is negotiating now for a July 2015 start date). We are concerned about the potential severity of action that may be taken by PM&C, given the lack of detail on the performance reporting requirements available during the application period, and the limited time available to applicants to negotiate funding agreements.

Applicants interpreted the lack of specificity and high-level language in the programme guidelines as an opportunity to submit applications developed in response to identified needs but then felt that this 'far-reaching' approach was not applied by PM&C during assessment. This is contrary to the Commonwealth Grants Rules which state that it is important that officials develop clear, consistent and well-documented grant guidelines and other related documentation.¹² Further, officials should ensure that the rules of granting activities are simply expressed, are clear in their intent and are effectively communicated to stakeholders. Officials should consider testing the clarity of grant guidelines with stakeholders prior to their release.¹³ Unfortunately, this sector was not consulted on the development of the grant guidelines or asked to test their effectiveness.

As observed by one respondent and supported by many:

"The whole problem with program indicators is simply that the overall strategies and goals are pie in the sky stuff. Whilst they have good intentions, departmental staff and consultants have never really understood the depth of disadvantage. We need building blocks (tailored to community needs) to make the differences and not be set up to fail.. the problems are inter-generational and not a quick fix.. and require in depth work."

Supporting Collaborative Practice

Survey respondents have stated that effective service delivery to Indigenous communities requires local knowledge and close community connections. The use of generic selection criteria, without weighting, was a missed opportunity to recognise the importance of local knowledge, experience and established working relationships with community and other service providers. The general view is that this tender process favoured larger, mainstream organisations over smaller, Indigenous-led organisations. Greater clarity of documentation and consultation with the sector could have helped shape and inform the process and may have addressed and dispelled this perception now held by the sector.

The sector should have been consulted on possible processes that could be put in place to support collaborative practice. For instance, PM&C could adopt a more flexible approach to support multiple applications in the one location (ie sole, consortia and sub-contractor arrangements). Selection criteria could be weighted to support important policy drivers such as working partnerships and collaborative practice.

As identified in the Commonwealth-funded 2012 synopsis and critique of Australian research on *Safe and Supportive Indigenous Families and Communities for Children*,¹⁴ a collaborative approach to service delivery has resulted in a reduction of service duplication, more efficient use of resources and the promotion of shared goals.

Innovation and Evidence-based practice

We are concerned that no specific funds have been set aside for innovation. There appears to be no policy or planning on how to identify and support best-practice; and no scope for service providers to be innovative within their funding streams. We suggest that PM&C refer to DSS's establishment of an expert panel and leverage off that framework to identify, support and resource service providers. The expert panel is a means of building service capacity to plan and implement programs, evaluate outcomes, and share the results with others in order to reach these goals. Evidence-based programme profiles have been developed for communities for children with family law support services to follow. A similar approach should be adopted for the IAS. Refer to <https://www3.aifs.gov.au/cfca/expert-panel-project> for more information. As identified in *Safe and Supportive Indigenous Families and Communities for Children*,¹⁵ :

- Program evaluation data are rarely linked to population-wide data to establish the longer-term impact of programs on Indigenous families and communities. Improved data linkage may help to establish a solid evidence base to inform child protection strategies for Indigenous families and communities.

Lack of Transparency

91% of survey respondents indicated that, now that the tender round is complete, there was not enough transparency on the evidence used by PM&C when assessing applications and how the decision making process was conducted. Survey respondents indicated that they have received no information on how their application was assessed. Many have sought feedback and are waiting to receive it.

Survey respondents indicated that there was very little information on the selection criteria and assessment process. Paragraphs 13.9 and 13.14 of the Commonwealth Grant Rules outline the importance of conducting granting activities in a manner that minimises concerns about equitable treatment. To avoid this, officials should put in place a transparent and systematic application and selection process. Such processes assist in informing decisions and enhancing confidence in the granting activity outcomes and grants administration processes, for both stakeholders and the public. Additionally, the ANAO has observed that it is important that appraisal and selection processes be transparent and free from the risk of political or other bias. The open-ended nature of the documentation (ie no specificity with regard to service models, locations and amounts) made it difficult for organisations to tailor their applications and understand how PM&C was conducting its assessment process. Organisations felt that PM&C did not assess their applications against what was outlined in the programme guidelines and, in some instances, have been offered funding under streams that were not applied for.

This sentiment expressed by one respondent was shared by many:

"We have absolutely no idea how anything was decided and it seems as if the application was not even considered in terms of local support, success and need. And we still have no idea!"

Open, restricted and direct approaches to market

Under paragraph 2.4 of the IAS programme guidelines, PM&C retains the right to approach a provider, community, region, business or jurisdiction to enter into adhoc, place-based or regional grant funding agreements at any time. The circumstances under which PM&C may take these actions are not defined. Paragraphs 6.5 and 7.5 of the Commonwealth Grant Rules state that officials should choose methods that will promote open, transparent and equitable access to grants and careful consideration should be given to the application and selection process to be used. The lack of information in the programme guidelines as to when and how PM&C will determine its approaches to market is contrary to these recommendations.

Section 9 of the Grant Rules concerns the application of proportionality. Given that there was no specificity on funding amounts available by activity and location, it is very difficult to determine how proportionality was applied to the assessment process. We consider that the "one size fits all" approach adopted by PM&C, by requiring open tenders for unspecified amounts, demonstrated little regard for the past funding history, achievements, compliance and performance records of organisations and of the evaluation of programmes.

Direct and restricted approaches should be made where there are no or minimal changes to programmes and/or locations and where existing providers are low risk and/or where funding amounts are small. Given the resources required to both conduct (by PM&C) and participate in (by applicants) open competitive processes, specified requirements should be satisfied before proceeding (ie it is necessary to test value for money or no suitable providers are available or existing arrangements are high risk). For direct and restricted applications, no or limited documentation should be required and better use should be made of the extensive data already held by PM&C.

The open competitive process was resource intensive and relied heavily on the quality of written submissions. The risk is that without other sources of evidence and local knowledge such as referees and state/territory interviews, the successful applicant is the one that writes the best tender. This does not necessarily translate to the best provider of the service in a particular location. More thought needs to be given to the selection criteria (especially weighting), evidence sought and how best to incorporate local input that is not resource intensive and does not rely solely on the written word.

As outlined in the Commonwealth Grant Rules, it is important to consider the needs and interests of grant recipients and beneficiaries. It should not be assumed that the same approach will suit all grants activities and circumstances. Through effective collaboration, shared understanding of expectations and positive working relationships, government policy outcomes can be achieved.¹⁶

Resources Required to Complete DSS Process

The majority of respondents completed applications in-house using existing resources (81%). Considerable time was spent meeting with communities, other organisations and conducting research and these costs were not factored into the figures provided by survey respondents. Material was then collated and written, usually involving 2-4 full time staff for 2-4 weeks per application. It should be noted that staff engaged with writing tenders were then unable to

provide, manage or supervise front-line services. Estimated costs ranged from \$4,000 to \$40,000, depending on the number of funding streams applied for.

Impact on Clients and Services and Addressing Local Needs

As the majority of survey respondents have received part funding, they have had to either reduce staff numbers and locations, close some service locations and/or amend service models. Respondents have indicated that they will have to refer clients to other 'similar services', if they are available (and often they are not), or to other services that do not meet clients' needs. When survey respondents were asked to identify what impact this process has had on clients, the most common response was that specialist needs are no longer being met. Rather than pull out completely from locations, there has been an increased reliance on volunteers and in-kind support from administrative staff and other service providers.

The uncertainty of the funding status of organisations has made it difficult to retain and recruit staff. Employees have left organisations because the future funding status is unclear or relatively short-term.

With a 'part-funding' approach adopted by Government, only some service interventions are able to be delivered. This means that organisations are unable to provide holistic family support services to family members, which is the culturally appropriate service response. As identified in *Safe and Supportive Indigenous Families and Communities for Children*,¹⁷ engagement strategies work best when Indigenous families are consulted about their needs and services respond using holistic approaches that are delivered in a culturally sensitive manner.

The term of funding agreements has been variable. Although funding was advertised as being available to June 2018, shorter-term funding offers have been made, with no information on why and what will happen in the out-years (ie whether another tender round will be conducted). Short-term funding offers also make it very difficult to engage with local communities. We consider that these factors, together with the lack of weighting on experience in working with Indigenous communities has been detrimental to this process. Given the resources required to compete in these processes, and the research that identifies the need for long term commitment to engage with Indigenous communities, we are strongly of the view that short-term (ie less than three year) funding agreements should not be offered under the IAS. Again, we refer to the synopsis and critique of Australian research on *Safe and Supportive Indigenous Families and Communities for Children*¹⁸ and note that:

- Longer time-frames than those currently provided are required for programs and services to:
 - build relationships with Indigenous families and community partners,
 - identify client needs, and to plan and implement appropriate responses,
 - devise and deliver effective engagement strategies,
 - foster Indigenous cultural understandings for service staff and for the broader community, and
 - develop evaluation strategies that identify longer-term outcomes for Indigenous families

- Indigenous participation in the planning, delivery and measurement of programs is critical in fostering greater trust and connectivity and enhancing community awareness.
- Short funding periods and limited resources for programs restrict the capacity of some services to provide appropriate support to Indigenous families

Survey respondents indicate that there are service gaps with clients no longer able to access services in certain locations. Previous Indigenous parenting services were established in response to recognised need but these services were not picked up by DSS through its priority areas, nor by PM&C. This is another example of where respondents feel that there has been a ‘mismatch’ between what was contained in the programme guidelines and what was being sought by PM&C in that locations with identified needs and high socio-economic disadvantage have missed out. PM&C has stated that it consulted communities but respondents indicate that they could not identify where or when referees were contacted or community feedback was sought.

When respondents were asked to identify what impact this process has had on the quality, range and viability of services they delivered they indicated that they have:

- reduced the range of services providers (62%),
- lost staff due to funding uncertainty (52%),
- let go of staff (48%),
- changed their service design (43%),and
- withdrawn services from locations because they are no longer viable (29%).

FRSA cannot identify the full extent of service gaps at this stage because PM&C has not publicly released information in sufficient detail.

Communication and Timeframes

The Commonwealth Grant Rules require that any suite of documents that form the grant guidelines must be consistent with the Rules and in particular that:

- rules are simply and clearly expressed (officials should consider testing their clarity with stakeholders prior to their release),
- eligibility and assessment criteria are clear,
- forms should be easy to understand and provide all the necessary information,
- appraisal should be timely to avoid possible inequities, and
- longer term agreements should be considered where appropriate.¹⁹

Respondents rated the quality and timeliness of PM&C’s documents and processes as follows:

- 92% rated the correspondence from PM&C as very poor to satisfactory - 37% found it satisfactory, 32% poor and 23% very poor,
- 91% rated the negotiation process as very poor to satisfactory – 24% found it satisfactory, 48% poor and 19% very poor,
- 72% rated the state and territory office network as very poor to satisfactory – 50% found it satisfactory, 17% poor and 5% very poor,
- 94% rated the complaints process as very poor to satisfactory – 62% found it satisfactory, 13% poor and 19% very poor, and

- 95% rated the information sessions as very poor to satisfactory - 40% found it satisfactory, 40% poor and 15% very poor.

As at mid-April 2015, only high level information has been released by PM&C on the outcomes of the tender process. Successful organisations have been listed with no further information on amounts of funding by service type and location. Successful applicants have indicated that they themselves have not received details, other than that they are required to meet with the state office to discuss contract negotiations (in some instances without having received a copy of the contract).

This lack of information makes it very difficult for unsuccessful organisations to manage the transitioning of their clients to the new provider and to satisfy industrial relations requirements with regard to managing existing staff, many of whom are Aboriginal. If funding applications are unsuccessful, redundancy payments are likely to be significant (with most employees of member organisations entitled to a redundancy payment). Fairwork Australia notes that most modern awards and enterprise agreements require employers to consult with their employees regarding changes and this should include considering all options and alternatives to redundancies, such as redeployment, job sharing and reduced overtime. A notice period also applies and this depends on years of service and the employee's age. With organisations only being notified now of changed funding arrangements and previous funding only available to June 2015, there is insufficient time to meet these requirements. In the absence of a more realistic transitional timeframe, ie: six months, it is reasonable for the sector to expect a more concentrated level of support from PM&C in the transitional period to ensure continuity of service delivery and enable organisations to either wind down or ramp up new services.

Conduct of tender round

Survey respondents were asked to rank the quality and clarity of the tender round documents and reported the following:

- 90% rated the IAS programme guidelines form very poor to satisfactory - 52% found them satisfactory, 33% poor and 5% very poor,
- 95% rated grant round summary as very poor to satisfactory – 55% found them satisfactory, 30% poor and 10% very poor,
- 85% rated the application kit as very poor to satisfactory – 60% found it satisfactory, 15% poor and 10% very poor,
- 90% rated the Q&As as very poor to satisfactory – 38% found them satisfactory, 33% poor and 19% very poor,
- 81% rated the Frequently Asked Questions as very poor to satisfactory – 43% found them satisfactory, 24% poor and 14% very poor,
- 95% rated the selection criteria as very poor to satisfactory – 26% found them satisfactory, 58% found them poor and 11% very poor, and
- 90% rated the IAS head agreement as very poor to satisfactory – 58% found it satisfactory, 16% poor and 16% very poor.

Generally, respondents found the questions asked during the tender round were not clearly answered and the structure of the application form difficult to complete for multiple regions.

Respondents were most dissatisfied with the selection criteria where 69% rated them as poor to very poor. The lack of weighting, particularly with respect to developing and maintaining working relationship with Indigenous communities and other relevant stakeholders disadvantaged organisations that had a long-standing history of working with communities and other local providers.

General feedback was that the website, 1800 number and inbox were satisfactory; although, responses from the inbox were slow. The main issue was the lack of information and timing of the release on the outcomes of the funding round. For some organisations, outcomes were issued through media releases before having received formal notification. The notification letter itself simply identified that the applicant had been successful. Respondents have been highly critical of the delays in obtaining further information particularly with regard to what was and was not funded, with many phone calls to Canberra not returned. Some have received multiple different accounts of what they have and have not been funded for. In general, communication with state office tended to be much better than with the national office. However, the state offices were not able to directly provide information on the tender round and it seemed that all queries were being directed to national office, with whom many respondents feel they do not have a relationship with. It has taken weeks to organise meetings to negotiate funding agreements and responses to queries have been slow. Respondents have even had difficulty confirming that the GST and social and community services award will be paid in addition to base grant funding.

Generic information sessions were highly scripted with presenters often unable to answer questions. Some respondents were unaware that the sessions had occurred. Those that did attend suggest that a video on the process, with regularly updated FAQs, would have been just as effective and a more efficient use of resources.

Suggestions for next time

We fully support the principles contained in the Commonwealth Grant Rules and enshrined in the *Public Governance Performance and Accountability Act 2013* particularly with respect to risk management, cooperation and partnering and accountability.²⁰ We are as committed as Government to ensure that scarce resources are used to assist clients in most need and that they are directed to programmes that deliver outcomes, meet policy objectives, support quality services and represent value for money.

We asked our members to identify what could be done differently next time. The following suggestions are prioritised based on the feedback received:

- Consultation on and testing of programme guidelines, policy changes, outcomes and key performance indicators should occur early and with the sector as recommended in the Commonwealth Grant Rules. Data requirements, including key performance indicators, should have been specified during the application period. Face to face information sessions are not necessary – online video with updated FAQs would satisfy requirements.
- More time is needed to: advise the sector of future tender rounds, negotiate agreements and transition clients to changed arrangements. Tender rounds should be completed (not commenced) at least 6 months' prior to the cessation of existing funding arrangements. Lack of timely and detailed information has serious adverse consequences on clients as well

as staff and organisations. Insufficient time set aside to work with the sector also erodes trust, respect, collaboration and partnership.

- The sector should be consulted when open, restricted and direct approaches to market will apply. This information should then be clearly articulated in programme guidelines and, ideally, should be consistent across the PM&C portfolio. Currently, there is no detail on when or how these decisions are made.
- Specialised services and capacity to provide an holistic response to client needs have been lost with the policy push to mainstream activities. Additionally, selection criteria must be weighted to reflect the importance of experience in working with communities and having strong local working relationships with other related service providers. These factors were identified in the *Safe and Support Indigenous families and communities for children, A synopsis and critique of Australian research*.
- Longer term funding agreements are essential, particularly if resource-intensive, open, competitive rounds continue to be conducted. It is not viable to impose, on Indigenous communities and the not-for-profit sector, these processes for relatively small funding amounts over short-term funding agreements (eg less than 3 years). Longer term funding agreements are essential as identified in the *Safe and Support Indigenous families and communities for children synopsis and critique of Australian research*.
- As in previous years, full public disclosure of the funding decisions reached by the decision maker should be publicly released as soon as possible after the decision has been made (usually via media release with a table that identifies organisation by location by sub-activity type by funding amount). The release should contain the standard caveats that information is subject to negotiation with identified organisations. All organisations should be notified directly, and at the same time, of the outcome of the process. The request by PM&C that organisations remain silent during the negotiation period is a highly risk-adverse approach and ultimately compromises the quality of services to clients during this period and the relationships between not-for-profit organisations.
- Communication between the national office and the state and territory office network must be improved. Better use should be made of the local knowledge held by the state and territory office network. Open competitive rounds should be conducted by the network and could comprise a short expression of interest, short-listing, then interview of applicant and feedback from other stakeholders and community. PM&C should refer to information already held on compliance history and financial and performance reporting.
- Given the size of the IAS, a separate innovation fund should be established. Providers should not be required to draw upon front-line service funding to implement innovative practice.
- PM&C should contribute to and leverage off the expert panel established by DSS so that service providers will be assisted, resourced and supported with identifying and implementing best-practice models of service delivery.
- An independent review of the tender round should be conducted (preferably by ANAO) with recommendations used to inform the next tender round.
- The timing of the tender rounds must take into account other similar activities conducted by Commonwealth and state governments. Given that member organisations are funded by a number of government entities, a more streamlined approach, at least at the

Commonwealth level, would alleviate pressures on the sector. Joint (or outsourced) tender rounds could be implemented (eg DSS, AGD and PM&C portfolios). Once consultation and tender round processes are bedded down, applicants would become familiar with the processes and would not have to familiarise themselves with different approaches imposed upon them, possibly at the same time, by different government agencies.

- All proposed changes to policies and programmes must be evidence-based and result in improved outcomes for clients. Broader Government policies should not be the drivers of programme reform particularly if programmes have been evaluated, are effective and providers are fully compliant with performance and accountability requirements.

Finally, we are saddened by the views expressed by one member organisation namely

“Communities have generations of breakdown in relationships, loss and grief. This grant process and the last DSS process have just created more of this where community and services are left in a state of loss especially where the services are gaining effective outcomes and where funding is cut totally. This just creates total loss of relationships and is devastating for community and the staff. Services who are really there for community and delivering what they have stated they are doing are a part of the community family. It’s very sad to see what has happened and that there is no logical reason for any of it nor any clear transparency of how the decisions are best for community.”

We would like to see Government work closer with community and service providers to improve the next tender round and avoid these experiences into the future. Thank you for the opportunity to provide input to the Senate Inquiry. Please do not hesitate to contact me on 0417 220 779 or by emailing [.jackiebrady@frsa.org.au](mailto:jackiebrady@frsa.org.au) if you require any further information. We have also attached summaries of organisations’ experiences for your information.

Yours sincerely



Jackie Brady
Executive Director
Family and Relationship Services Australia

ATTACHMENT A: FEEDBACK FROM MEMBER ORGANISATIONS

1. We spent considerable time negotiating the specific program needs with the community and designing a program that responded. We then got less money (3/5 of what we asked for), so will need to re-scope the services, which will take time. We understand the need to distribute funds, but the same level of service cannot be delivered for that proportion of dollars. It is disappointing that we are still waiting for the negotiation to start, as while we have got some indication of what might make sense for the community, we also feel we need to be sure it will be agreed by PMC so we don't make promises we can't deliver. It is now mid April so we feel we are running very short of time to negotiate, agree with community, then implement for a 1 July 2015 start.

2. We are a leading Indigenous community based organisation providing a range of health, family and community services. In entering the process of applying for the IAS funding, all appeared to be well-meaning and a welcome change as an approach to streamline and improve; red-tape; wastage in government handling of funding buckets; identifying Indigenous funds; assessment of where funds were being spent and making differences; management/quality and delivery of services. Our only criticism was that the indicators and benchmarks were "too pie in the sky" for where we are now and clearly measurement of these was impractical in reality.

Once applications were submitted, the extension of funding assessment seemed to be acceptable due to the number of applications... We were informed that: we were successful, but little detail provided; then informed that we had two programs with less funding; then no, we may also get another program; then no, we have two programs but one of the first two was no longer; then no, we now have three..... The positive is we have something and the disappointing things are: this is a bungle; never at any time were protocols followed as informed by the regional presentations (e.g. that once applications were received and during assessment PMC would work with their regional offices to be informed from a more localized point). We were informed that organisations to be given funding would have to meet the eligibility criteria of quality/good governance/financial and management structures along with those that they have achieved; investing funding where it is needed and delivered accordingly... The funding results discredit most of the above and where it didn't we are not aware of the department following through with what was intended. We still have organisations being funded with poor track records, not delivering the goods and even new ventures with no organisation/incorporation ... And we ponder and wonder why the disadvantage has not made inroads. My question is, "Closing the Gap", what Gap is it that we are trying to close because evidence clearly demonstrates that this is failing. Is this because the Indicators/Strategies and Goals are incorrect? OR not in line with the essential building blocks which are no-existent OR both. Our view is that there are too many consultants and experts, and peak bodies with fingers in the pie. Everyone is trying to plan OR tell us what should be done when the providers on the ground are not listened too and end up scraping the barrel of funds that are left for service delivery. Government and their government advisers have lost touch.

3. The process was flawed from the start. Existing programs that had proven guidelines were lumped together such that the guidelines bear little relevance to the services being delivered. There was no understanding of how the databases would be carried forward or the value of the

peak bodies. From the beginning it was obvious that Canberra was scrambling to make the grand vision work (whilst losing experienced staff). There seems to be a built-in mistrust of Aboriginal run organisations that our Board finds offensive, e.g. the requirement for us to be incorporated under ORIC rather than Corp Act. (we are seeking exemption on the grounds of being a well run company). The only deduction for this requirement is that Aboriginal organisations need another layer of bureaucracy because they are not capable of managing their own affairs. This seems to be borne out by the fact that around 60%+ of IAS recipients are not Aboriginal run organisations. We saw some of this in the DSS round where the push was on for "partnerships" to improve governance in Aboriginal organisations. We are still discussing our contracts, waiting on feedback and our application for exemption on incorporation so the process has a way to go yet. It is interesting to note the disconnect between the political rhetoric and the reality:- "reduce red tape" while increasing compliance; "cut the bureaucracy" while giving them more to do; "listening to the communities" while giving contracts to non-Aboriginal organisations. While we accept that change is inevitable, it would be nice if it was well thought out.

4. Clear guides on how the assessment of grants will be performed - what criteria are being used, how will grants be prioritised. It is pointless and a waste of everyone's valuable time and money getting people to write grants if at the end a decision is made just to give the grant back to existing services. If existing services are performing well with effective outcomes just roll over their money. If services are not performing well and are not gaining effective outcomes then open it up for grabs or go to local community, with local PM&C to ask which service they think could deliver the program and go direct to that service and offer the grant. Communities have generations of breakdown in relationship and loss and grief. This grant process and the last DSS process has just created more of this where community and services are left in a state of loss especially where the services are gaining effective outcomes and where funding is cut totally. This just creates total loss of relationship and is devastating for community and the staff. Services who are really there for community and delivering what they have stated they are doing are a part of the community family. It's very sad to see what has happened and that there is no logical reason for any of it nor any clear transparency of how the decisions are best for community.

5. 18 Months ago we were asked by PM&C to take on the delivery of a service in a small Indigenous community as the existing provider was not working out. As we have existing services in the community we took it on. We had young men's focus and employed all Indigenous staff. In this short time, the program worked well and the community was very proud of the achievements of the staff. It also attracted some additional local government funds as it was identified as a worthwhile project. We did not receive funding to continue this. However the provider who had previously lost the contract received funding for youth programs. This is a national provider. When I spoke to the CEO of the organisation they agreed that it was a bit embarrassing and very odd that they who had lost the contract for non-performance now had it back! They have no existing services in the community.

6. We put in an application for 2 locations in remote towns that have no other services except ours and they cover a broad range of activities and support. Both services are full time and we employ a part time local Aboriginal woman in one location (0.26 FTE) and three part time local Aboriginal women in the other (0.21 FTE) with a qualified Social Worker fulltime in both place. As

well as the parenting and working with children, we provide cultural activities, safety plans and assist with issues around child protection and family violence. Working with numerous visiting services provides a venue for a number of them and also the contact place to find out where community members may be contacted and referrals. This is considered the 'go to place' for visiting services. Putting in funding for the three streams of Children and Schooling, Safety and Well being and Culture and Capability thus made sense to keep these going. The Project Description we were being contracted for said "To provide supported playgroups, parenting programmes, home visiting, school readiness programmes, supporting children to stay at school, cultural consultancy, education and activities, and web based services and resources" and this was expected to be provided for \$46 785, with a mandatory outcome as 'the number of Indigenous people employed" This is very easy as it would hardly employ someone for a few hours let alone do all of the above! The rationale for funding was that it 'demonstrated close alignment with the Government's children and schooling programme'. Why would the funding then be 1/3 of what we have already to provide the services? We certainly only asked for what it costs to run both services now and didn't go overboard.... I understand that the local staff of PM&C were not consulted but decisions were made in Canberra with very little understanding of the level of disadvantage or the geography... We're still hoping with some submissions that there may be some level of increase, and will need to wait and see. In the meantime staff are still uncertain after being told we were 'successful'. This in no way can be considered 'successful'.

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- ¹ Commonwealth Grants Rules and Guidelines, July 2014, p.15
 - ² Commonwealth Grants Rules and Guidelines, July 2014, p. 19
 - ³ Evaluation of the FaCSIA Family Violence Programs: Family Violence Regional Activities Program – Family Violence Partnership Program, December 2007,
 - ⁴ Sheather, G. (2009). Communities for Children: Raymond Terrace & Karuah local evaluation report. Newcastle, NSW: The Family Action Centre, University of Newcastle.
 - ⁵ Flaxman, S., Muir, K., & Oprea, I. (2009). Indigenous families and children: Coordination and provision of services (FaHCSIA Occasional Paper no. 23). Canberra: FaHCSIA.
 - ⁶ Indigenous Advancement Strategy Guidelines, p.22
 - ⁷ Commonwealth Grants Rules and Guidelines, July 2014, p.16
 - ⁸ Commonwealth Grants Rules and Guidelines, July 2014, p. 20
 - ⁹ Commonwealth Grants Rules and Guidelines, July 2014, p.26
 - ¹⁰ Indigenous Advancement Strategy Guidelines, p.3
 - ¹¹ Indigenous Advancement Strategy Guidelines, p.7
 - ¹² Commonwealth Grants Rules and Guidelines, July 2014, para 8.6, p.20
 - ¹³ Commonwealth Grants Rules and Guidelines, July 2014, para 8.8, p.20
 - ¹⁴ Lohoar, S., Safe and supportive Indigenous families and communities for children, A synopsis and critique of Australian research, Child Family Community Australia Information Exchange, Paper no.7, 2012, pp1-2.
 - ¹⁵ Lohoar, S., Safe and supportive Indigenous families and communities for children, A synopsis and critique of Australian research, Child Family Community Australia Information Exchange, Paper no.7, 2012, pp1-2.
 - ¹⁶ Commonwealth Grants Rules and Guidelines, July 2014, para 8.1, p.19
 - ¹⁷ Lohoar, S., Safe and supportive Indigenous families and communities for children, A synopsis and critique of Australian research, Child Family Community Australia Information Exchange, Paper no.7, 2012, pp1-2.
 - ¹⁸ Lohoar, S., Safe and supportive Indigenous families and communities for children, A synopsis and critique of Australian research, Child Family Community Australia Information Exchange, Paper no.7, 2012, pp1-2.
 - ¹⁹ Department of Finance, Commonwealth Grant Rules and Guidelines, July 2014, para 8.8-8.9, pp.20-21.
 - ²⁰ Explanatory Memorandum, Public Governance, Performance