



Australian Government

**Department of Families, Housing,
Community Services and Indigenous Affairs**

Response to Question on Notice

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

Auditor-General's reports Nos 2 to 10 (2012-13) and related reports
Wednesday, 13 March 2013

GENERAL COMMENTS

Nil Response

SPECIFIC QUESTIONS ON NOTICE

Question #1

How has your department been implementing the ANAO's Recommendation No.1—to 'review their current funding approaches and supporting arrangements' and take a longer term view?

- *What changes have been made?*
- *Are there instances where longer term partnerships or core funding support is now being provided to Indigenous organisations? If not, why not?*

Response (Joint FaHCSIA and DEEWR. DoHA to respond separately.)

Through the Remote Jobs and Communities Program (RJCP) significant reforms are being introduced to employment, participation and community-development services in remote Australia to help more people get into jobs and participate in their communities.

From 1 July 2013, RJCP will provide a more streamlined and flexible employment and participation service in remote Australia. With funding of \$1.5 billion over five years, the new program will build on the strengths of existing services: Job Services Australia (JSA), Disability Employment Services (DES), the Indigenous Employment Program (IEP) and Community Development Employment Projects (CDEP).

The program's five-year funding agreement, with options for further extensions up to five years, will give greater certainty to providers and communities. Providers will be able to develop longer term partnerships with local employers, other service providers and stakeholders in remote regions. This funding approach reflects the program's emphasis on investing in the strength and sustainability of each community. The new model gives an opportunity for people in remote areas to drive the long-term change they want to see in their communities with the greater security of five-year funding.

There will be a single service provider with a permanent presence in each of 59 remote regions, giving job seekers, communities, employers and others a single, local point of contact for employment and participation services. There will also be a five-year \$237.5 million Community Development Fund, which will support projects that provide employment and participation opportunities for local people and are consistent with the direction of the local Community Action Plan.

The Stronger Futures in the Northern Territory has committed \$3.4 billion over ten years for a broad range of services needed to address the significant disadvantage faced by Aboriginal people in the Northern Territory. The ten year time frame for the investment recognises that the issues faced cannot be resolved in the short term and that program funding certainty over this time will provide greater stability in the provision of services. Within this context, agencies are also looking to develop multi-year funding agreements with providers.

More broadly, the Department of Families, Housing, Community Service and Indigenous Affairs (FaHCSIA) is implementing reforms at an administrative level to streamline compliance requirements for grant programs and ensure that only essential information is collected. These include the introduction of Common Business Model for Grants Management and streamlined Standard Terms and Conditions for Funding Agreements.

- The Common Business Model applies a risk-based approach to the administration of grant programs which, in practice, means reducing or minimising the level of monitoring, reporting and acquittal requirements for the majority of our funding recipients as a result of their 'low' risk rating.

The Department has been proactive in recent years in strengthening its Program Risk Framework.

- In 2011, a range of previously separate processes, tools and templates were brought together in a single Service Delivery Monitoring Tool which gives performance and risk ratings for the full range of FaHCSIA's Funded Activities. In 2012, a department-wide Risk Maturity Strategy was put in place to further embed a culture of risk management across all areas of the Department's operations.

The Department of Education, Employment and Workplace Relations (DEEWR) actively works to ensure its programs and services - both Indigenous specific and mainstream reforms - are responsive to the needs of Indigenous Australians. DEEWR is particularly focused on:

- ensuring funding arrangements adequately support the achievement of desired policy outcomes by providing core support (for example, through funding under the National Partnership Agreement on Early Childhood Education);
- ensuring mainstream programs include funding and support strategies that promote positive Indigenous outcomes (for example, the National Plan for School Improvement);
- building the business capacity of Indigenous organisations through business support initiatives (such as the Indigenous Employment Program and Indigenous Economic Development Strategy initiatives, Indigenous Opportunities Policy and funding of Supply Nation); and
- other initiatives that build organisational capacity (such as Indigenous Profession Support Units; Indigenous focussed Budget Based Funded early childhood education and care services; and the Parental and Community Engagement program).

The National Plan for School Improvement will introduce a new national school funding model and increased funding tied to concrete improvements in all schools across Australia. The new

funding system will include a benchmark amount per school based on the costs of schools that are already achieving great results, and extra ‘loadings’ which will be available to support schools with students most in need, including Indigenous students, students with a disability, rural and remote students, students at small schools and students with limited English skills.

This funding approach will support improvements in policy areas that are critical to the closing the gap reform agenda such as lifting teacher quality and providing more information for parents to help them support their child’s education. Under the Plan, schools will be expected to form strong partnerships with parents and their local community, and report on how they achieve those partnerships.

Supply Nation is an example of the way DEEWR supports longer term partnerships with Indigenous organisations.

Supply Nation (formerly the Australian Indigenous Minority Supplier Council) was established in 2009 with an initial investment of \$3.67 million through the Indigenous Employment Program. This was a new model to link Indigenous businesses with major contract opportunities.

In the 2011–12 financial year, Supply Nation generated almost \$7 million in contracts and over \$21.7 million in transactions between its members and suppliers. Due to the initiative’s success, the Government has committed further funding of around \$7.5 million over three years from 2012–13, as Supply Nation moves towards a sustainable model.

SPECIFIC QUESTIONS ON NOTICE

Question #2

What progress, if any, is being made across government to reduce the number of separate Indigenous-specific programs being delivered by the Government, as was recommended in the 2010 Strategic Review of Indigenous Expenditure?

Response (FaHCSIA only)

Most of the recommendations of the Strategic Review of Indigenous Expenditure (the Review) have now been implemented, including the recommendations for program consolidation. A range of programs have been consolidated following the review, in particular programs in relation to Indigenous specific health care (recommendation 27), Working on Country (recommendation 40), early childhood (recommendation 6.2), remote air services (recommendation 47), family support including related Indigenous specific services (recommendations 51, 52) and Indigenous law and justice (recommendation 58).

More recently, the Remote Jobs and Communities Program consolidates four previously separate programs delivering employment and participation services and community development in remote Australia: Job Services Australia, Disability Employment Services, Community Development Employment Projects (CDEP) and the Indigenous Employment Program. These reforms will provide a more integrated and flexible approach to employment and participation services for people living in remote Australia.

The new program will see jobseekers assisted by a single provider with a permanent presence in their region, ensuring they are getting better support to get the skills needed to get a job. It will also ensure people who are not working are participating in activities that contribute to developing strong and sustainable communities.

The Indigenous Family Safety Program was created on 1 July 2009 by merging the Family Violence Partnership Program and the Family Violence Regional Activities Program. The Family Support Program was also introduced in 2009 and draws together a suite of previously separate programs under a single set of arrangements, including Communities for Children, which aims to increase child safety and wellbeing in disadvantaged communities throughout Australia.

A key feature of the Communities for Children delivery arrangements is the Facilitating Partner Model, which is based on a whole-of-community approach and aims to integrate services by allowing for tailored approaches at a local level so communities can develop flexible and innovative approaches that best reflect their circumstances

SPECIFIC QUESTIONS ON NOTICE

Question #3 (Hansard excerpt, p6)

What capacity building activities are being advanced?
How many non-Indigenous organisations are involved in delivering programs attached to Closing the Gap initiatives?

Response (Joint FaHCSIA and DEEWR. DoHA to respond separately.)

DEEWR continuously works to build the capacity of service providers to respond to the needs of Aboriginal and Torres Strait Island people across all areas of portfolio responsibility. Examples include:

Remote Jobs and Communities Program (RJCP)

In implementing RJCP from 1 July 2013, the Government recognises that not all local organisations have the governance or capacity to work at the level required. The Australian Government has announced that \$15 million is being made available in 2012-13 for capacity strengthening for RJCP providers and potential providers.

Job Services Australia (JSA)

An Indigenous mentoring pilot sees high-performing JSA providers funded to deliver culturally appropriate mentoring support for Indigenous workers; and an online cultural awareness training package has been developed for JSA staff to further strengthen the performance of JSA and Disability Employment Services for Indigenous job seekers.

Early childhood services

Capacity building work in Indigenous early childhood services focuses on both staff development and organisational capacity.

The provision of professional support to staff of early childhood services through Professional Support Coordinators and Indigenous Professional Support Units is supporting staff in Indigenous early childhood services to improve their qualifications through the Budget Based Funded (BBF) Quality Measure.

The Remote Indigenous Professional Development (RIPD) Project supports the delivery of early childhood education practice under the Early Years Learning Framework in remote Indigenous early childhood services in Queensland, Western Australia and the Northern Territory. The target audience is Early Childhood Education and Care educators for whom English is a second or third language.

Under the BBF program, services are funded to address the need for culturally competent services, in particular Aboriginal and Torres Strait Islander focussed early childhood education and care services (across all geographic areas, from metropolitan to remote). The majority of BBF services are managed by local community organisations including local government organisations enhancing local engagement and participation. The majority of BBF services engage local community and family members in the delivery and management of the child care services.

FaHCSIA is taking a multifaceted approach to strengthening the governance capacity of organisations receiving FaHCSIA funding to deliver programs and services to Indigenous communities.

This includes work to better support capacity development in Indigenous organisations and streamlining the approach to funding capacity development across portfolios, where it is practical to do so. Part of the focus of this work is on the role of the organisations themselves and providing assistance for effective business planning and budgeting.

The Department is already engaged in a range of activities which will inform a whole-of-government capacity building strategy. These include:

- the Community Development Fund under the Remote Jobs and Communities Program
- the Enhancing Communities program under Stronger Futures in the Northern Territory
- the Remote Service Delivery National Partnership
- the Office of the Registrar of Indigenous Corporations, and
- the Coordinator-General for Remote Indigenous Services

The Department is also putting in place an internal policy to encourage Indigenous organisations receiving significant levels of FaHCSIA funding to incorporate under the CATSI Act or the Corporations Act if they are not already so incorporated.

Consultations are being undertaken with the Australian Charities and Not-for-Profits Commission (ACNC) to ensure the Department's activities are aligned with the Government's broader not-for-profit reform agenda. This includes contributing to a range of working groups examining Commonwealth regulation, streamlining grant arrangements and performance

reporting. The ACNC's work will also assist in building the capacity of organisation in the not-for-profit sector more broadly.

How many non-Indigenous organisations are involved in delivering programs attached to Closing the Gap initiatives?

Mainstream services and programs account for the majority of Australian Government spending on Indigenous Australians. Given this, mainstream services and programs have the opportunity to have a significant impact on the ability to meet the Closing the Gap targets. Therefore, a large number of organisations across a broad range of policy domains are involved in delivering initiatives that contribute to closing the gap.

SPECIFIC QUESTIONS ON NOTICE

Question #4 (*Hansard page number 7*)

I would like to see the road map or the street directory on which you are driving [re capacity development strategy]...detail what progress has been made with regard to the development of departments' overarching policies and an overarching framework at a whole-of-government level.

Response (FaHCSIA only)

FaHCSIA is leading the development of the COAG National Indigenous Governance and Leadership Framework in consultation with Indigenous leaders, state and territory governments and across the Commonwealth. The draft Framework is scheduled to be considered by the COAG Working Group for Indigenous Affairs at its next meeting this year.

The Framework will be a guide for the Australian and state and territory governments in implementing the National Indigenous Reform Agreement Governance and Leadership Building Block. It will facilitate, support and enable good leadership and governance practice in Aboriginal and Torres Strait Islander peoples, organisations and communities by building on existing good practice. It will highlight the need to increase the cultural competence of governments and their capacity to engage Aboriginal and Torres Strait islander peoples in the development of policies and programs and the delivery of services. The draft key focus areas include strengthening community leadership and governance, strengthening organisational / corporate leadership and governance and strengthening Native Title Bodies Corporate leadership and governance. While the draft Framework is based on the National Indigenous Reform Agreement Service Delivery Principles, it includes two additional principles relating to capacity building and a strengths-based approach as follows:

- Capacity building: Where possible, government policies, programs and services should support capacity building by Aboriginal and Torres Strait islander communities and build capacity within governments to meet the needs of Aboriginal and Torres Strait islander peoples;
- Strengths-based approach: Policies, programs and services should adopt a strengths-based approach that recognises and builds on existing good practice, recognising the cultural diversity of Aboriginal and Torres Strait Islander communities.

The Framework will increase the focus on governance and leadership in the development and implementation of existing and all new policies and programs across the Building Blocks.

Recommendations are being developed for actions to achieve these outcomes to commence in 2013-14.

With regard to the development of a strategy to support capacity development across Australian Government agencies, a range of activities and reforms have been identified which will inform the strategy. These include:

- **On the ground activities** such as awareness raising and business planning guidance to assist organisations identify capacity issues and ensure their funding bids include a capacity component.
- **Structural actions** such as modifying the new policy proposal template to require a specific strategy for addressing risks around capacity constraints or build in principles to reduce implementation risk and promote enhanced capacity.
- **Governance related activities** such as encouraging Indigenous organisations receiving Commonwealth funding to incorporate under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* or appropriate Commonwealth legislation. This would give greater access to dedicated governance support and oversight arrangements and FaHCSIA is already moving in this direction by implementing this as an internal policy requirement.
- Providing additional support to relevant **peak bodies** to build the capacity of their member organisations engaged in Indigenous service delivery.
- **Sector-specific actions** are also being considered such as developing tailored strategies in specific sectors such as health, education, aged care and early childhood which reflect the particular needs and requirements of organisations in that sector.