



Save the Children
Australia

Tendering under the Indigenous Advancement Strategy

**Submission to the Finance and Public Administration References
Committee**

Save the Children Australia

30 April 2015

About Save the Children

Save the Children is a leading independent international organisation for children and child rights. Our vision is of a world in which every child attains the right to survival, protection, development and participation. We work towards this vision in Australia and in more than 120 countries across the globe.

For further information about this proposal, please contact: Claire Febey on 03 9281 2822
or at claire.febey@savethechildren.org.au

Introduction

Save the Children Australia welcomes the opportunity to make a submission to the Finance and Public Administration References Committee on the impact on service quality, efficiency and sustainability of recent Commonwealth Indigenous Advancement Strategy tendering processes (Tender).

On 4 March 2015, Save the Children was advised that our application for funding under the Indigenous Advancement Strategy (Strategy) had been successful and that officers from the Department of Prime Minister and Cabinet would be in contact within 48 hours to discuss the development of the funding agreement. At the time of writing this submission, around 60 days later, we have just this week received written advice of an offer and an invitation to commence contract negotiations. We understand that many small and large organisations across the sector face a similar situation.

Save the Children welcomed the Government's broad direction in relation to the Tender. The consolidation of funding streams under the Indigenous Advancement Strategy should encourage greater flexibility, which is absolutely essential if we are to solve complex social problems. The Government also signalled a real interest in innovative, locally led and place-based proposals that would allow for social and economic goals to be achieved in an integrated way. While we recognise that we have only a limited view of those applications that have been successful, based on our experience and consultation with others in the sector, Save the Children does not consider that the intent of the Tender has been achieved.

This submission draws on the feedback of our local partners and stakeholders in each community, including elders, families, traditional owners and Aboriginal-controlled organisations. It also reflects the views of our teams in each effected community, including: Wilcannia in New South Wales; Darwin and Wadeye in the Northern Territory; the Eyre Peninsula and Adelaide in South Australia; Mooroopna and Nowa Nowa in Victoria; the Gulf of Carpentaria and Townsville in Queensland; and the Dampier Peninsula and Kununurra in Western Australia.

Our comments in this submission are aimed at improving processes and outcomes for the future and focus on the impact of the tendering process in relation to:

1. Children and families;
2. Missed opportunities and inefficiencies;
3. Pace and complexity of change; and
4. Aboriginal and Torres Strait Islander employees.

Impact on children and families

When the Prime Minister delivered the seventh Closing the Gap Report to Parliament on 11 February 2015 it showed that although there has been some improvement in education and health outcomes for Aboriginal and Torres Strait Islander peoples, most Closing the Gap targets are not on track to be met.¹ It

¹ Closing the Gap, Prime Minister's Report 2015, Australian Government

is widely understood that there is an urgent need to accelerate progress if equitable outcomes are to be achieved.

Save the Children's view is that the key to accelerating progress is consistent policy approaches and sustained programs over many years that are locally tailored and community led. Generational change will also require a continued focus on, and investment in, children. That is why we sought funding under the Indigenous Advancement Strategy to continue and expand Save the Children's programs that are having a measureable impact for vulnerable Aboriginal and Torres Strait Islander children and families.

This includes Save the Children's school attendance program in urban communities in Darwin, which has seen average attendance rates increase from less than 60 per cent when the program began in 2007, to around 80 per cent this year. The same program in Ceduna has lifted the average school attendance rates from 26 per cent to 61 per cent for children participating in the program over the last three years, with current participants tracking at 71 per cent. These programs were developed in close partnership with the local community, take a development approach, are culturally safe, and the effort has been consistent and sustained over several years. We see these elements as key to their success.

In contrast, the uncertainty, delays in decision-making, short-term contract extensions and funding reductions associated with the Tender are putting the quality and sustainability of successful, community-led programs at risk. This in turn puts what are often hard won improvements for children and families at risk. Further, the ongoing lack of clarity around what services have been funded in each community make it impossible to assess service gaps and develop appropriate transition plans for highly vulnerable children and families.

Missed opportunities and inefficiencies

The narrative of the Indigenous Advancement Strategy set high expectations for the Tender. The promise was that it would provide 'unprecedented flexibility' to work with individuals, families and communities to improve outcomes over the long-term and that it was designed to 'fundamentally reduce the red tape and reporting burden on providers, freeing them up to deliver better services rather than more paper work'.²

In a bid to promote innovation, organisations were also encouraged to 'think big' and put forward 'new solutions to old problems'. Collaboration was promoted as the key and rightly, non-Aboriginal organisations were expected to work in strong partnership at the local level with Aboriginal-led and controlled organisations.

These were welcome sentiments in a resource-constrained sector where many organisations are seeking to deliver holistic solutions at the local level to complex and intergenerational issues. In response Save the Children, and many other organisations, conducted extensive desk and field research on community need, assessed evidence-based interventions, consulted families and communities to determine which were

² Correspondence to Save the Children Australia from the Minister for Indigenous Affairs, 15 August 2014

locally appropriate, and strengthened referral pathways and local partnerships. In support of a partnership approach, Save the Children also entered into formal bilateral and multilateral agreements to seek funding on behalf of local Aboriginal-controlled organisations.

However, feedback across the sector suggests that the rhetoric does not match reality and we understand that many of the same services will be funded for a further short-term contract period. Considerable organisational resources were allocated across the sector, with extensive input and support from local communities, to develop ambitious proposals for funding. Should these proposals ultimately deliver little change, it will sit in stark contrast with the Government's commitment to freeing providers up to deliver better services. It would also be a missed opportunity to capitalise on the new thinking, innovation and partnerships that were put forward as part of this tendering process.

Further, raising and not meeting expectations is damaging at the local level. Many communities already have extreme consultation fatigue, and low levels of trust in government and providers to deliver on promises. While Save the Children is careful to manage expectations on the ground, particularly in times of significant funding uncertainty, in the absence of any real change we see the consultation associated with this tender process as a poor use of community trust and energy, with the potential to limit support for similar exercises in the future.

As well, proper community consultation and innovative service design takes time. While funding opportunities can naturally catalyse collaboration, it is best done with all interested parties at the table, without the threat of looming deadlines and funding cuts. The Tender process ran for six weeks. This created a perverse incentive for organisations and communities to rush to solutions and partnerships, or risk missing out on the opportunity to provide services to the community with the support of this funding round.

Importantly, Save the Children is cognisant of the pressures on the national budget. Therefore our submission leveraged the support of volunteers, corporate and philanthropic partners to supplement the proposed investment sought from the Australian Government. As the final outcome of the Tender appears to be that in many communities the status quo remains, these opportunities for broader collaboration are unlikely to be realised. In some cases significant corporate support, which was contingent on some contribution by government, may be withdrawn.

Pace and complexity of change

At verbal briefings on the national funding round there was evidence of confusion and concern, particularly among smaller grass-roots organisations, about how the devolution of 150 programmes and services into five broad programme streams would work. This confusion was heightened by machinery of government changes that meant in many cases local departmental contacts and key administrative arrangements had changed.

We understand these changes were driven by a desire to centralise Indigenous policy, provide the highest level of leadership to this important area of national policy and break down departmental silos and their negative impact on service delivery and outcomes. While we strongly support this intent, in reality these benefits have not yet been realised in the community or sector.

As well, important organisational changes were being made within the Department of Prime Minister and Cabinet while the tender process was underway, for example the establishment of the new regional office network. Save the Children considers that it would have been preferable to establish new organisational structures and decision-making processes before embarking on a major tender process.

Aboriginal and Torres Strait Islander employees

Save the Children is proud of our record of Aboriginal and Torres Strait Islander employment. The activities in our proposal would have directly employed 109 Aboriginal and Torres Strait Islander people. This included creating 80 new jobs and maintaining 29 existing jobs, as well as building the capacity of individuals and communities, an important step in achieving real and sustainable change.

This means that while we have waited for advice on our application for funding under the Indigenous Advancement Strategy, 29 Aboriginal and Torres Strait Islander employees have waited to learn whether they will have a job at the end of June this year. While we are now very pleased to be able to confirm the majority of these jobs, we think it is important to recognise that individual staff have waited for this news since the funding round was announced in August of last year, which is now more than eight months.

Despite the ambition of the Strategy to get 'Indigenous Australians into work', the uncertainty created by the Tender is working against this goal. Like any business we need to give employees certainty if we are to retain talent and maintain service continuity. This is critically important given the overlay of a community development and capacity building approach to employment, along with the additional challenge of attracting staff in remote communities. In some remote communities positions can sit vacant for extended periods while organisations look for suitably qualified staff. This in turn can result in significant gaps in service delivery for children and families.

Conclusion

Save the Children acknowledges that this is the first funding round under the Strategy and change takes time. However, pursuing multiple changes within a short timeframe, such as the policy reforms associated with the Strategy, new machinery of government arrangements and funding reductions, has been inefficient and unfortunately counterproductive. Short-term policy and funding cycles, along with delayed decision making, are having a negative impact on service delivery and outcomes for children and families.

These issues are not isolated to this sector. An inquiry into the Department of Social Services' (DSS) recent tender round is also underway, and this Committee's interim report on Domestic Violence in Australia noted the negative effect of the new DSS grants process on the family violence sector has left

'organisations unable to plan effectively and resulted in the loss of experienced staff who are seeking more employment certainty'.³ There are strong parallels between these two tender processes.

As well, the deliberations of this Committee should be informed by consideration by the Joint Committee of Public Accounts and Audit of an improved Commonwealth performance framework, which has implications for the delivery of government services such as those commissioned through the Tender. Save the Children wholeheartedly supports the recommendations of the Community Council for Australia to this Inquiry as part of delivering a more robust and transparent government performance reporting framework.

Save the Children considers that a number of key changes are required to ensure that future tender processes work in better support of the Australian Government's ambition for improving Aboriginal and Torres Strait Islander outcomes, as set out in the Strategy. In support of this, we recommend that the Department of Prime Minister and Cabinet should:

- Urgently review its tendering, contract, reporting and acquittal requirements to reduce compliance costs and increase efficiency, using the Productivity Commission's report on the *Contribution of the Not-for-Profit sector* as the basis of this review;
- Involve communities and providers in planning for future funding rounds, and allow time for meaningful consultation before and during tendering processes; and
- Commit that future contracts under the Indigenous Advancement Strategy will be for a minimum of three years, preferably five years, and no program will lose funding with less than six months' notice.

³ Interim Report, Domestic Violence in Australia, Finance and Public Administration References Committee, March 2015, p. 09