

# Productivity Commission Study on the Expenditure on Children in the Northern Territory – Draft Report

Joint response from the Department of Social Services and the National Indigenous Australians Agency



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## Introduction

1. The Department of Social Services (DSS) and the National Indigenous Australians Agency (NIAA) welcome the Productivity Commission's Draft Report – *Expenditure on Children in the Northern Territory* (draft report) and support the Productivity Commission's efforts to identify the most effective ways to improve funding arrangements and achieve better outcomes for children and families in the Northern Territory (NT).
2. As recognised in the draft report, 'keeping children safe and well is a shared responsibility, between families, communities and governments' (page 13). The Australian Government is committed to working with governments, communities and individuals to achieve this.
3. This submission is structured around the four reform areas outlined in the draft report:
  - Reform Area 1: why coordination of children and family services funding matters
  - Reform Area 2: a siloed and fragmented service system
  - Reform Area 3: a better approach to funding children and family services
  - Reform Area 4: implementing the reforms.

It responds to the information requests and provides information on DSS and NIAA initiatives. The submission recognises that for many of the reform areas, a unified effort will be required for implementation.
4. This submission also outlines DSS and the NIAA's position on each recommendation.

### Draft report recommendations

5. DSS and the NIAA acknowledge many of the recommendations in the draft report reflect an ambitious agenda and will be challenging to implement both individually and as a broad reform package. However, DSS and the NIAA broadly support the strategic intent and future directions set out in the draft report.
6. DSS and the NIAA agree or agree in principle with all but two draft recommendations in the draft report.
7. DSS and the NIAA are already working towards implementing a number of recommendations in the draft report that align with those of the Royal Commission into the Detention and Protection of Children in the NT (Royal Commission). This includes steps towards a relational approach to contracting, work undertaken by the Children and Families Tripartite Forum (Tripartite Forum) towards an agreement on coordinated funding and enhanced collaboration between DSS, the NIAA and the NT Government.
8. In relation to the Productivity Commission's comments about the NIAA's regional network, the draft report references Australian National Audit Office audits of the *Indigenous Advancement Strategy (IAS) 2017* and the 2018 performance audit of the *Management of the Regional Network* as an evidence base to support its recommendations. Many of the audit references are now

dated and do not capture or reflect NIAA's current operations. Additionally, all four recommendations made in the IAS audit report have been implemented, and the five recommendations made in the *Management of the Regional Network* report are currently being implemented. Current status of progress against these recommendations should be reflected in the final report.

### Summary of recommendations and position

Recommendation	Description	DSS and NIAA position
<b>Reform Area 1 – why coordination of children and family services funding matters</b>		
9.1 – AN AGREEMENT ON COORDINATED FUNDING	Agreement to a coordinated funding framework for services relating to children and families in the Northern Territory.	<b>Agree</b> with this recommendation, noting the form of the framework will depend on the final report's recommendations.
6.1 – COMMUNITY PLANS AND COORDINATED FUNDING DECISIONS	Development of community plans, driven by Commonwealth and NT Governments and in collaboration with each community to identify and prioritise areas of need.	<b>Agree</b> that community plans are valuable, however any approach should take account of how they may complement, rather than duplicate, existing planning efforts.
<b>Reform Area 2 – A siloed and fragmented service system</b>		
7.2 INCREASING CERTAINTY IN THE CONTRACTING PROCESS	Rolling schedule of funding opportunities, with sufficient time for providers to apply and design appropriate services.	<b>Do not support</b> setting default contract lengths to seven years.  <b>Agree in principle</b> providing sufficient lead times for providers to design appropriate services and apply for funding.
7.3 A RELATIONAL APPROACH TO CONTRACTING	The Commonwealth and NT Governments should adopt a relational approach to contracting, in which governments, service providers and communities work collaboratively towards shared outcomes.	<b>Agree</b> with this recommendation.
7.1 INCREASING CERTAINTY IN FUNDING	The Commonwealth and NT Governments should set service contracts such that they provide adequate time and resources for service providers to establish their operations, and improve service quality and outcomes.	<b>Agree in principle</b> with this recommendation.

7.5 TRANSITION TO ABORIGINAL CONTROLLED SERVICE DELIVERY	Greater focus on provider characteristics in funding decisions, and grant agreements to incorporate requirements (where appropriate) and funding for partnerships with local Aboriginal organisations.	<b>Agree</b> with this recommendation.
<b>Reform Area 3 – A better approach to funding children and family services</b>		
8.1 – BUILDING THE EVIDENCE BASE THROUGH EVALUATION	Community engagement during service delivery to build the evidence base and enable continuous improvement.	<b>Agree</b> with this recommendation.
3.1 HARMONISE RECORD KEEPING PRACTICES	Develop a common method for reporting location data and describing and categorising children and family services.	<b>Agree in principle</b> with this recommendation.
3.2 A PUBLIC CHILDREN AND FAMILY SERVICE LIST	Create and maintain a single public services list.	<b>Agree in principle</b> with this recommendation.
6.3 BETTER DATA ON OUTCOMES FOR CHILDREN AND FAMILIES	Collect and report outcomes data for children and families at a community level.	<b>Agree in principle</b> with this recommendation, subject to sensitivities described in this submission.
<b>Reform Area 4 – Implementing the reforms</b>		
9.2 INDEPENDENT OVERSIGHT OF REFORMS	NT Children’s Commissioner to monitor and publicly report on progress of reforms	<b>Do not support</b> this recommendation as described further in this submission.
7.4 AN EXPANDED ROLE FOR REGIONAL NETWORKS	Expanded role for regional networks to lead development of community plans and undertake relational contracting.	<b>Agree in principle</b> with this recommendation, noting the issue of which agency or agencies are best placed to lead a community planning process needs to be considered.
6.2 AN EXPANDED ROLE FOR THE TRIPARTITE FORUM	Role of Tripartite Forum to be expanded to provide advice to governments on funding allocation and funds pooling.	<b>Agree in principle</b> with this recommendation. However, any expansion of the Tripartite Forum’s role beyond an advisory role, including towards a mechanism for making funding decisions would

		raise a number of legal and accountability issues that require further consideration. Resourcing for the Tripartite Forum also needs to be considered.
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### Scope of the draft report

9. Due to the agreed scope of the Terms of Reference, the draft report takes a definition of children and family services that does not capture funding provided for relevant mainstream or universal and wraparound services, for example, those delivered by Australian and NT Government departments of Health and Education at both the Commonwealth and NT levels. As a result, without qualifiers, the draft report has the potential to overemphasise the contribution and role of the NIAA and DSS, presenting the NIAA as the main Australian Government-funder of children and family services in the NT.
10. Grants provided by DSS and the NIAA often provide supplementary funding to support mainstream service delivery. In many NT locations, Australian and NT Government departments of Health and Education provide relevant services. In this context, DSS and the NIAA have limited service presence. Recommendations 7.3 and 7.4 therefore need to be considered within this context. The final report could consider making overt references to this.
11. The draft report notes the significant investment of more than \$225 million by the Australian Government in children and family services in the NT. In addition to this direct investment, the Australian Government provides substantial amounts of indirect funding to the NT Government, including GST revenue and tied funding under bilateral or national partnership agreements, which are not detailed or attributed in the draft report.
12. The final report could reference other DSS and NIAA-led initiatives including the Australian Government’s commitment to consider models for an Indigenous voice and the Closing the Gap initiative, to the extent they align with the study’s Terms of Reference.
13. As the draft report notes, the system of services relevant to the prevention of harm to NT children is complex. Reforming these arrangements requires thorough consideration by the Australian Government, the NT Government, communities and organisations, and sufficient time and resources.

### Departmental missions

14. DSS aims to improve the lifetime wellbeing of individuals and families in Australian communities. DSS works in partnership with government and non-government organisations to achieve this through effective policies, programs and services.
15. The NIAA is committed to implementing the Australian Government’s policies. The NIAA works to develop and influence policy across the Australian Government by working in partnership with states and territories, Indigenous peak bodies, stakeholders and service providers to ensure Indigenous

programs improve the lives of, and deliver outcomes for, all Aboriginal and Torres Strait Islander peoples.

16. These missions are complementary and both DSS and the NIAA are committed to working collaboratively with our partners to improve outcomes for families and children in the NT.

### **Closing the Gap**

17. The final report could consider opportunities arising from the partnership of the Australian Government and state and territory governments with the Coalition of Aboriginal and Torres Strait Islander Peak Organisations under the Closing the Gap Refresh.
18. This governance mechanism has potential to improve accountability and decision making on priorities around service delivery in the NT.
19. The Council of Australian Governments and the National Coalition of Aboriginal and Torres Strait Islander Peak Organisations have agreed to a formal Partnership Agreement to finalise Closing the Gap Refresh and provide a forum for ongoing engagement throughout implementation of the new agenda.

### **An Indigenous voice**

20. Another relevant policy area relates to the Australian Government's commitment to consider models for an Indigenous voice at local, regional and national levels.
21. In November 2019, the Australian Government commenced a co-design process to develop elements of an Indigenous voice. The process will ensure Indigenous Australians are central to the design of mechanisms to support coordinated planning.

# Reform Area 1 – why coordination of children and family services funding matters

## Coordinated funding underpinned by community plans

### DRAFT RECOMMENDATION 9.1 – AN AGREEMENT ON COORDINATED FUNDING

*Agreement to a coordinated funding framework for services relating to children and families in the Northern Territory.*

DSS and the NIAA **agree with this recommendation** and, through the Tripartite Forum, are working to establish a Coordinated Funding Framework (the Framework). The Framework aims to provide an agreed approach to the planning, funding and delivery of services for families and children in the NT.

### DRAFT RECOMMENDATION 6.1 – COMMUNITY PLANS AND COORDINATED FUNDING DECISIONS

*Development of community plans, driven by Commonwealth and NT Governments and in collaboration with each community to identify and prioritise areas of need*

DSS and the NIAA **agree** that community plans are valuable and are open to exploring an integrated approach for community planning. However, DSS and the NIAA consider any approach to community planning should take account of how it can complement, rather than duplicate, existing planning efforts.

It is critical to acknowledge this occurs within the authorising environment of government, for example, budgetary, financial authority and funding responsibility. It is therefore important to manage community expectations.

Due to the scale and complexity of community planning, noting the number of distinct communities within the NT and the current NIAA and DSS regional presence, an approach that addresses community readiness and required resourcing is recommended.

## Coordinated Funding Framework

22. Significant work on the Framework has already progressed. Its broad principles, including the emphasis on data, community involvement and better collaboration across governments and agencies, are aligned with the draft report's findings and recommendations.
23. The Tripartite Forum is considering the next steps for the Framework's design, including how it could be implemented. DSS and the NIAA will look to the final report for further direction regarding its design and implementation.

## Working with communities and community plans

24. DSS and the NIAA have a long-standing record of engaging and working directly with Indigenous communities in the NT and are committed to continuing this into the future. Both agencies are committed to genuine collaboration and



recognise this requires ongoing engagement and relies on strong and respectful relationships between governments, non-government organisations and communities.

25. DSS and the NIAA support a co-design and collaborative approach that fosters genuine partnership with communities to: give agency to local communities; improve engagement and commitment within the community; and drive outcomes. This approach needs to be balanced with a strategic model of investment across Closing the Gap Refresh outcomes including universal funding for health, housing, employment and education programs.
26. The draft report recommends developing community plans to better understand the perspectives of individuals and communities. Ideally this would be a whole-of-government effort, working closely with NT agencies and local communities.

### **Challenges to community planning**

27. In some cases, the community may require support to build its own governance arrangements before it is ready to engage with government, or it may take time to agree who holds appropriate authority to speak on behalf of the community. Even where leadership is in place, the community may prefer to take its time to build consensus on a particular issue. These matters should be reflected as critical elements in the final report.
28. There are challenges in operationalising community plans including embedding them into a coherent funding process. It is important that arrangements are developed in partnership with stakeholders, and there is flexibility in the implementation phase, to reflect readiness and resourcing capacity.
29. DSS and the NIAA believe the Tripartite Forum and ministers may not be the most appropriate delegation to sign off individual community plans, rather, they could endorse broad parameters.

### **Previous experience with community planning**

30. DSS and the NIAA support governments building on what is already working. Existing models to draw on include Empowered Communities (EC) and *Stronger Places, Stronger People* (SPSP). It should be noted however that these models take time and SPSP is still in the process of being tested as a model. Community planning mechanisms could be further tested in other locations where governance mechanisms are strong, there is interest from the community, and capacity building has developed local decision-making initiatives.
31. The draft report notes that services in the NT are not always rigorously targeted to community needs or priorities. SPSP is an example of a community-led initiative that seeks to support decision-making devolved at community level. The initiative also features a locally authorised governance group that is reflective of the diversity of the community.
32. As part of the initiative, governments commit to sharing data and developing data-sharing protocols to facilitate shared measurement. Communities

measure, evaluate and learn from their experiences in developing and implementing their community strategy and action plan.

33. This represents a new way of working with communities. While it may take time to fully demonstrate its effectiveness, the Government is committed to seeing it through and to keep working with SPSP communities to demonstrate improved wellbeing for children and families in these communities.
34. The final report should consider existing community-led initiatives and historical policies and frameworks that have had local community plans at their core, including their challenges and resulting outcomes. For example, lessons learned through the COAG Trials and the National Partnership Agreement on Remote Service Delivery should be considered in the design and development of future arrangements. This is particularly relevant given their focus on working in partnership with communities to develop local implementation plans and better coordinate investment across governments and agencies.

### **Other initiatives**

35. As part of its commitment to working in partnership with Aboriginal and Torres Strait Islander individuals and communities to realise their aspirations, NIAA's professional practice to engage and work with Aboriginal and Torres Strait Islander individuals and communities focuses on:
  - (a) EC, an Indigenous-led initiative that aims to give Indigenous people a greater say in decisions that affect them. EC is currently being implemented at the regional level in eight locations across urban, regional and remote Australia, including the tristate Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Lands region, which includes the NT.
  - (b) Working with key Indigenous leaders, peak organisations and the NT Government to co-design the National Agreement on Closing the Gap, including identifying targets. Refer to Paragraphs 17-21 for more information.

### **Working with the NT Government**

36. The Australian Government is committed to working with the NT Government to achieve better outcomes for families and children in the NT. This includes working in partnership to implement its local decision-making policies, such as through the Barkly Regional Deal and Multi-Agency Partnership (MAP) Agreements.
37. Since the Royal Commission, three new mechanisms have been established to better coordinate effort across and between governments and agencies:
  - (a) Children and Families Tripartite Forum. As noted by the Productivity Commission, the Forum was established to address structured and sustained high-level engagement between the Australian and NT Governments, and the community sector.

(b) Commonwealth Interdepartmental Committee (IDC). The IDC is the primary committee providing oversight of Commonwealth recommendations from the Royal Commission.

(c) NT Children's Reform Group (formerly Children and Families Coordination Group). This is a strategic forum that meets fortnightly to provide an opportunity for DSS, NIAA, Department of the Chief Minister and the NT Reform Management Office to share information and coordinate efforts.

38. In addition to the above mechanisms, there are a number of previously existing governance and information sharing forums between the Australian and NT Governments. These reflect an already established commitment to working in partnership, and include:

(a) Aboriginal Affairs Bilateral Coordination Group – an overarching cross-government strategic forum to drive cross collaboration led by the NT Department of the Chief Minister.

(b) NT Remote Aboriginal Investment (NTRAI) Joint Steering Committee – high level strategic cross-government forum to drive delivery of NTRAI funded outcomes, led by NIAA. A Child and Family Working Group also provides oversight of operational arrangements under the Schedule.

(c) Child and Family Coordination Committees: These committees support the establishment of the new Child and Family Centres. Representatives can include the NIAA, Department of the Chief Minister, Territory Families, Regional Council and other local organisations.

## Pooling funds

### Information Request 6.1

*Priority locations and service types for funds pooling, and putting funds pooling into practice.*

As the draft report notes, pooling funds could have a number of practical benefits, including reduced service duplication, cost savings and other efficiencies.

Decisions at the Tripartite Forum regarding the funding model and the scope of the Framework will guide governments on determining which services could benefit from pooled funding. The Tripartite Forum is currently considering various approaches to funding coordination ranging from a narrow, coordination-only approach to a pooled, fully integrated approach.

Given the Tripartite Forum is still considering pooling funds and the scope of the Framework, it would be premature to list service locations or service types as 'priority candidates' for funds pooling. Instead, further discussion and exploration is required before advice is given to governments.

## Pooling funds and the Tripartite Forum

39. The Tripartite Forum is currently considering the scope of programs and services to be included in the Framework, which could guide potential funds pooling. There has been no agreement of the final design of the Framework yet.

40. Tripartite Forum members have identified that early intervention and prevention services are the most appropriate for inclusion in the Framework.
41. Limiting the scope of the Framework to early intervention and prevention services is in line with the Royal Commission's Final Report, which identifies that a more holistic, early intervention focus is needed to effectively support families and children. The scope would make establishing the Framework more achievable while retaining the benefits of service coordination.
42. Under this model, improved methods of data collection would build an evidence base for funding decisions. Community representatives, including Tripartite Forum members, Regional Councils, Aboriginal and Torres Strait Islander Associations, backbone organisations and evaluators, could then better advise governments about local community priorities and areas of need.

### **Challenges of funds pooling**

43. The Tripartite Forum has recognised several challenges of establishing a funds pooling practice or the Framework. These include:
  - how multiple governments and ministers provide authority to pool funds allocated for specific services and adhere to legislative requirements
  - identifying which services to fund from the pool based on understanding community needs, while ensuring adequate funding and appropriate transition arrangements
  - determining how funds will be tracked to acquit public responsibilities
  - reviewing information management systems across government. These would need to be reviewed to ensure alignment across all relevant bodies.
44. Given these challenges, an incremental or phased process to the development and implementation of arrangements is supported.

### **Limitations of funds pooling**

45. While coordinated funding has the potential to resolve a number of challenges underpinning disproportionately poor outcomes for children and families in the NT, it is only one mechanism for change within a complex service system. Coordinated funding alone cannot automatically improve outcomes.
46. Other elements to consider should include strengthened governance and accountability arrangements, integrated and better coordinated service delivery and embedded review mechanisms. Another issue facing the NT and the child and family sector more broadly is building a strong and professional workforce with the required expertise.
47. DSS and NIAA strongly support approaches to improve effectiveness of coordinated funding guided by evidence. For example, the NIAA is developing an evidence-based policy and investment framework to drive a more coordinated, strategic and outcomes-focused approach to investment in Aboriginal and Torres Strait Islander peoples and communities.

## Reform Area 2 – A siloed and fragmented service system

### DRAFT RECOMMENDATION 7.2 **INCREASING CERTAINTY IN THE CONTRACTING PROCESS**

*Rolling schedule of funding opportunities, with sufficient time for providers to apply and design appropriate services*

DSS and the NIAA **do not support** setting default contract lengths to seven years. In some cases, long-term grant agreements may not be appropriate because it will be more advantageous to establish new funding arrangements that could include transition to services being delivered by Aboriginal Community Controlled Organisations (ACCOs). Short-term grant agreements may also allow service approaches to be transitioned, and be responsive to changing community needs. As the draft report notes, long-term grant agreements may lock out new organisations and entrench ineffective providers.

DSS and the NIAA **agree in principle** to providing sufficient lead times for providers to design appropriate services and apply for funding. To achieve this, both agencies will continue working across program and policy areas to plan for grant opportunities so there is sufficient time allocated for each stage of the grant process. However, budget timeframes and other external factors can affect lead times.

### DRAFT RECOMMENDATION 7.3 **A RELATIONAL APPROACH TO CONTRACTING**

*The Commonwealth and NT Governments should adopt a relational approach to contracting, in which governments, service providers and communities work collaboratively towards shared outcomes.*

DSS and the NIAA **agree with this recommendation**. The NIAA is committed to continue working with the NT, the Australian Government and communities to explore testing of a relational contracting approach in a select number of sites. There has already been significant progress towards relational contracting under NIAA's current operational model.

### DRAFT RECOMMENDATION 7.1 **INCREASING CERTAINTY IN FUNDING**

*The Commonwealth and NT Governments should set service contracts such that they provide adequate time and resources for service providers to establish their operations, and improve service quality and outcomes.*

DSS and the NIAA **agree in principle with this recommendation**. In providing grants, DSS and the NIAA consider the full costs of service delivery albeit without necessarily quarantining funding for specific aspects associated with service delivery, such as establishing operations and service quality improvement. Instead, the grantee has some flexibility in budget allocation, noting grant funds must be spent in accordance with the grant agreement, ensuring public money is achieving the intended outcomes for Indigenous Australians.

DSS and the NIAA also note the Productivity Commission's view, as the Royal Commission indicated, that the issue foremost is not a 'lack of funding, but rather a lack of coordination, collaboration and understanding of how funding is spent, and what outcomes are being achieved'.

#### **DRAFT RECOMMENDATION 7.5 TRANSITION TO ABORIGINAL CONTROLLED SERVICE DELIVERY**

*Greater focus on provider characteristics in funding decisions, and grant agreements to incorporate requirements (where appropriate) and funding for partnerships with local Aboriginal organisations.*

DSS and the NIAA **agree with this recommendation** and support approaches to fund and support Aboriginal Controlled Service Delivery where possible and appropriate, noting there may be circumstances where it is not feasible.

### **Longer term, more collaborative contracting of service providers**

48. Extensive experience in remote service provision across the NT indicates that sector collaboration and engagement are critical in designing and implementing successful programs. DSS and the NIAA are fully committed to working with organisations and communities in a flexible way tailored to local conditions.

#### **Longer-term agreements**

49. While DSS and the NIAA do not support recommendation 7.2, DSS and the NIAA agree with the draft report's finding that longer-term agreements can generate certainty for organisations so they can focus on service delivery and improved outcomes for Australians experiencing vulnerability. They can also enable strategic planning and reduce service disruption and red tape.
50. Both DSS and the NIAA are committed to implementing longer-term agreements, where appropriate. Factors influencing the length of agreements, include the funding term, risk, nature of the activity (project, pilot or ongoing service), desired outcomes of the program and the performance management framework.
51. The appropriate length of every grant opportunity must be assessed against the broad principles enshrined in the Commonwealth Grant Rules and Guidelines (CGRGs). These require government departments and agencies to achieve value for money as a prime consideration in all phases of grant administration.

#### **Applying for grants**

52. All grant opportunities are published on the GrantConnect website, which provides a centralised publication of forecast and current Australian Government grant opportunities and grants awarded. This is publicly available at <https://www.grants.gov.au/>. DSS and the NIAA support reviewing the operation of this website and processes to ensure it provides the best possible schedule of upcoming opportunities for grant funding that relate to children and families.

53. The current Indigenous Advancement Strategy (IAS) features a number of innovative ways organisations can apply for grants funding. This includes the possibility of integrated bids under the community-led process.
54. The NIAA can also work with communities on IAS grant proposals. Proposals are developed with the community or group that will be impacted by the activity. These proposals can be submitted at any time, allowing applicants to apply and design appropriate services ahead of the activity start date.
55. The NIAA conducts a bi-annual ceasing activities process through which currently funded grant activities due to cease are assessed for continued funding against performance and outcomes achieved, alignment with the IAS Selection Criteria, IAS Grant Guidelines, priorities and community need. The NIAA has committed to inform providers of funding decisions within three months of the activity end date.

### Relational approach to contracting

56. There are a number of existing approaches that demonstrate how the Australian and NT Governments are working collaboratively with service providers to achieve shared outcomes.
57. DSS and the NIAA implement appropriate grant arrangements to comply with the CGRGs and achieve value for money.
58. Work is already under way with MAP Agreements between the NIAA, NT Government and various local Aboriginal corporations. MAP sets out aligned community and government priorities and strengthens relations between the parties. MAP Partners focus on building the capability of local Aboriginal corporations to empower greater involvement in decision-making and support community development priorities.
59. The NIAA has a comprehensive approach to reviewing IAS funding that seeks to be relational. Reviews are conducted in collaboration with the grant recipient, an independent third-party review team and NIAA regional staff. They are designed to understand the outcomes and benefits being achieved through individual grant activities, identify strengths and opportunities, better understand grant recipients' business drivers and improve grant management.
60. A commitment to relational contracting means government agencies can better understand the costs and challenges of remote service delivery. DSS and the NIAA have committed to increasing the participation of communities in the design of grant activities, including through more effective consultation and ongoing collaboration with providers and community.

### Costs of service delivery

61. The draft report discusses the significant challenges and increased costs of remote service delivery in the NT, particularly noting costs such as capital/infrastructure, reporting and evaluation and capacity building that are often incurred in delivery of remote services. DSS and the NIAA acknowledge these challenges, and that reflecting the full costs of service delivery can be complex.

62. DSS and NIAA grant agreements do not generally quarantine funding in a provider's grant agreement for capacity building or evaluation. However, applicants have the ability to fund capacity building (including for Indigenous people, communities and organisations) and/or evaluation from within their grant funding. DSS and NIAA support capacity building needs being identified and evaluation designed at the front end.

## Transition to ACCOs

63. DSS and the NIAA are committed to building the capacity of Aboriginal organisations providing children and family services so they are sustainable in the longer term. The NIAA currently funds support through the Aboriginal Governance and Management Program (AGMP) delivered by Aboriginal Peak Organisations NT (APONT) and Many Rivers.
64. Work is underway to improve the support provided in the transfer of services from one service provider to another. The NIAA notes considerable effort and resourcing is required to undertake succession planning between Indigenous and non-Indigenous organisations where there is a commitment to transition a service. It requires a strong partnership, cooperation and willingness of all parties involved. The NIAA acknowledges the value of the APONT Partnership Principles in providing guidance for this.
65. A transition to service delivery by Indigenous organisations is not always the desired outcome. In some instances, Indigenous organisations have indicated they wish to remain in a partnership arrangement, and not transition to full ownership and control. There may also be circumstances where Indigenous communities prefer a non-Indigenous provider. The NIAA supports partial or full transition, according to the Indigenous organisations' capacity and expressed desire, reflecting the preferences of communities.
66. The NIAA is currently leading a cross-agency trial of the Indigenous Grants Policy that aims to increase the funding and participation of Indigenous Australians and organisations in Commonwealth grant activities. As part of this, new grant guidelines published for IAS activities will generally see preference given to Indigenous organisations in funding opportunities (or organisations with substantial levels of Indigenous ownership, control or management).
67. The NIAA is also implementing numerous partnership approaches in funded activities to enable skills sharing between Indigenous and non-Indigenous organisations. This aims to build capacity and cultural competency of both organisations for better outcomes for children, families and communities.



## Information request 8.1

*Reducing reporting burden for providers receiving multiple grants.*

DSS and the NIAA are committed to improve the quality and effectiveness of program delivery. As required by the CGRGs, DSS seeks to minimise red tape and duplication in funding by only requesting new information from potential grantees not already available from other parts of the department.

There are several DSS and NIAA initiatives to ensure streamlined program reporting. For example, the NIAA has recently undertaken work to tailor sets of controls, which apply to grants to align with different levels of activity risk. This includes reducing the frequency of performance reporting for lower risk grants, which is the majority of IAS grants. Acquittal reporting requirements and other grant controls are also tailored to activity risk.

To improve the way DSS collects and uses administrative data, DSS uses the Data Exchange which helps funding agencies and organisations work with data in a more consistent and efficient way. In line with the draft report, the operation of the Data Exchange demonstrates that a streamlined approach to reporting helps organisations focus on frontline service delivery and achieve better outcomes for individuals, families and their communities.

Reporting to one funding agency would likely require changes to grants reporting for agencies. Such reforms could involve additional investment by both the Australian and NT Governments. It would also be difficult to implement for some providers because many activities funded by DSS and the NIAA are delivered across multiple regions and states. This means many organisations receive grants across multiple jurisdictions and many different governments and departments.

Where providers deliver services in multiple jurisdictions, they must provide consistent outcomes data that aligns with other national indicators. Requiring grant recipients to report to a lead agency in the NT but not to other parts of the country would mean these grant recipients would report to different agencies in respect of the same program (the lead agency in the NT and the funding agency everywhere else).

Providers do not always want to provide less reporting. General feedback received from NIAA providers as part of grant activity reviews is that many would like to do more to ensure the NIAA is aware of contextual and other qualitative performance information. Feedback from some NIAA grantees has been that they prefer to complete separate performance reports where they deliver multiple activities. This is because it is often easier for local staff to complete reports as they are best placed to supply the information.

## Reform Area 3 – A better approach to funding children and family services

### DRAFT RECOMMENDATION 8.1 **BUILDING THE EVIDENCE BASE THROUGH EVALUATION**

*Community engagement during service delivery to build the evidence base and enable continuous improvement.*

DSS and the NIAA **agree with this recommendation**, support the focus on monitoring and evaluation to improve service delivery and agree this would be facilitated by greater capacity building at organisation and service levels to measure improvement.

### DRAFT RECOMMENDATION 3.1 **HARMONISE RECORD KEEPING PRACTICES**

*Develop a common method for reporting location data and describing and categorising children and family services.*

DSS and the NIAA **agree in-principle with this recommendation** and support the development of a unified approach to report location data and describe and categorise children and family services across agencies and governments. DSS and the NIAA are committed to continue working with the NT Government through the Tripartite Forum to develop this unified approach.

### DRAFT RECOMMENDATION 3.2 **A PUBLIC CHILDREN AND FAMILY SERVICE LIST**

*Create and maintain a single public services list*

DSS and the NIAA **agree in principle with this recommendation** and support in principle the creation of a single public services list. The final report could clarify whether this list is for members of the public or for governments and communities to better understand what is being funded. The purpose of the list would affect its contents.

### DRAFT RECOMMENDATION 6.3 **BETTER DATA ON OUTCOMES FOR CHILDREN AND FAMILIES**

*Collect and report outcomes data for children and families at a community level.*

DSS and the NIAA **agree in principle with this recommendation** and are committed to releasing appropriate data, including via data.gov.au, which is the central source of Australian Government open data, subject to the sensitivities noted below.

DSS and the NIAA are mindful of the issues that, in a small number of situations, data publication may be suppressed based on a community request or cultural reasons.

## Better, more transparent data that is shared at the community level

### The Data Exchange

68. The Data Exchange commenced on 1 July 2014 as DSS' approach to program performance reporting. The Data Exchange has since been extended to other Australian and state and territory government agencies.
69. The Data Exchange supports governments working together to share information and reflects two-way information sharing between funding agencies and organisations. This enables agencies and organisations to improve service delivery and better understand the overall outcomes being achieved for individuals, families and their communities.
70. Approximately 2,800 organisations use the Data Exchange. This means that the Data Exchange is likely to be an appropriate reporting system for new programs because many funded organisations are likely to be existing Data Exchange users.
71. In addition to standard demographic information (age, gender, CALD etc.) the Data Exchange can enhance data by using Statistical Linkage Keys to link other social policy datasets, such as welfare payments which clients may receive or the socio-economic areas where they live. This provides insights into service usage and client interactions with other services on a de-identified basis.
72. The data provides a comprehensive picture of government-funded services. This includes where, when and how many times clients access these services. This can help identify what level of service (or service dosage) leads to the best outcomes.
73. The draft report notes how the collection of services data focuses on the individual and may not demonstrate the multiple services an individual may receive. DSS is developing a client pathways model, which aims to address this through applying statistical methods to de-identified records. This will mean DSS can better understand the attendance behaviours both within and between services reported through the Data Exchange.
74. The draft report notes 'the use of data... may help to identify the need for services in a community, but it does not establish whether existing services are already in place to target these needs'. In fact, the Data Exchange can do both. The Data Exchange can provide quantitative support for the qualitative needs assessments received from communities. The standard approach to reporting through the Data Exchange allows DSS to understand service usage including intensity of attendances and distances individuals travel to attend. These data can be used to provide evidence to assess the need of a service within a community.

## Common program reporting

### Information Request 3.1

*Deciding the most appropriate geographical unit for reporting, the usefulness of 'service catchment areas' in designing a geographical unit and putting the 'service catchment area' into practice.*

It is not clear if the best solution to the unified reporting problem is establishing a new geographical unit. Instead, establishing new ways to unify current reporting might be more suitable.

The starting point for establishing a unified way to report location data should be the geographical units set by the Australian Bureau of Statistics (ABS), which is a standard way Australian Government agencies report on data. DSS and the NIAA request that the Productivity Commission consider that the Australian Government funds services across Australia and that national consistency enables better evidence to be drawn out.

### Current reporting

75. DSS and the NIAA reports on all its grants across Australia using geographical units set by the ABS. Reporting in this way is a viable method to establish consistent reporting and categorisation across governments and agencies.
76. DSS reports on outlet data (i.e. where services are provided to clients) based on Data Exchange data which can reveal the specific outcomes of service clients. DSS also reports on where services can be provided, which is determined by the underlying grant agreement. The use of one or both types of data allows the establishment of meaningful service mapping with other agencies.

### Challenges with unified reporting

77. Ensuring accurate and meaningful service mapping across jurisdictions can still be challenging given the different ways agencies report grants data. These different approaches can be unified to the extent consistent geographical standards are used. For example, if all agencies report based on ABS geographical areas then this data can be matched, analysed and communicated.
78. There are risks with establishing new geographical units for reporting service provision. This includes the risk that in requiring agencies to report to a new geographical standard in the NT may not be coherent with agency reporting across other jurisdictions. Another risk is that this would require agencies to duplicate their reporting. For instance, DSS would continue to report on ABS areas to ensure nationally consistent reporting but would also have to adapt to the new geographical unit for the NT.
79. It is not obvious what geographical unit would be most appropriate to report against, although adhering to ABS geographical areas may overcome or mitigate some of the risks described above. Altogether, the feasibility of doing this assessment would need to consider timeframes and the resourcing required to support any systems change.

## Indigenous areas

80. There are circumstances where using different geographic areas may be appropriate. For example, for Indigenous Australians, cultural and kinship boundaries are often a priority and a relevant geographical unit on which to base some sense of clarity. The NIAA often uses the ABS Indigenous Area boundary to report grant investment in a particular location.
81. For the EC program, local Indigenous community leadership decides regional geographic boundaries, which are not restricted by jurisdictional boundaries. For example, the NPY Lands EC region covers communities in Western Australia, South Australia and the NT. As part of regional EC implementation, the Australian Government is committed to increased transparency, including in relation to services and funding data disaggregated by EC region.
82. Increased transparency is easier to achieve in cases where services are specific to a community. However, where an activity spans a number of communities or locations, providing nuanced data is more challenging. In these situations, strong local NIAA knowledge of the service sector is invaluable in enabling EC leaders and communities to build a realistic picture of the regional service mix.

## Service directory

### Information Request 6.2

*Identifying and managing sensitivities involved in releasing community level data.*

There are several benefits in releasing appropriate data at the community level, as the Productivity Commission has recommended. Community level data can inform communities about specific challenges and better enable them to contribute to and co-design solutions.

There are three main sensitivities with sharing data with communities: the risk of re-identification, the complexity of interpreting data and the sensitivity associated with community comparisons. These sensitivities are discussed below.

## Sharing data with communities

83. Although the majority of data held by governments is aggregated and de-identified, sharing data that applies to small communities may carry a risk of re-identification. The consequences of re-identification may be significant, including the potential for individuals, families or groups to experience stigma. This means it is necessary to suppress data, which if otherwise published might lead to identification of individuals and to ensure that release of data complies with the Privacy Act 1988 and the Australian Privacy Principles.
84. Data about communities is often multifaceted and complex and deals with sensitive topics. Despite the best efforts of governments to ensure it is presented clearly, these complexities carry a risk that the data could be misunderstood or misapplied. Some alternatives could be releasing targeted analysis of the data instead of the data itself, or providing data to organisations with the capability to translate it meaningfully to communities.

85. DSS and NIAA are concerned about the creation of league tables and other data sets that put communities in competition with each other. There is a potential to stigmatise whole communities where sensitive data shows levels of involvement with the justice and child protection systems.

### Data and evidence-driven approaches

86. DSS and the NIAA support the focus on monitoring and evaluation to improve service delivery and agree this would be facilitated by greater capacity building at organisation and service levels to measure improvement.
87. Understanding what works for children and families in their local context and measuring outcomes requires more point-in-time and longitudinal tracking through data collection, data sharing and monitoring against nationally consistent data collections such as the Australian Early Development Census. Baseline information is required to measure any change in outcomes over time.
88. There is already promising work underway relevant to this. This includes the release of 'Story of Our Children and Young People', prepared under the guidance of the Editorial Committee and Menzies School of Health Research. This report provides baseline data for the NT based on six domains of the Australian Research Alliance for Children and Youth Nest framework.
89. Also relevant is the NIAA's *Indigenous Advancement Strategy Evaluation Framework* (published in 2018). This sets out a principles-based approach that calls for evaluations to be relevant, robust, appropriate and credible. The Framework is designed to ensure NIAA evaluations are high quality, ethical, inclusive and focused on improving outcomes for Indigenous Australians. This recognises that where evaluation is of high quality it is more likely to be used.

## Reform Area 4 – Implementing the reforms

### DRAFT RECOMMENDATION 7.4 **AN EXPANDED ROLE FOR REGIONAL NETWORKS**

*Expanded role for regional networks to lead development of community plans and undertake relational contracting.*

DSS and the NIAA **agree in principle** with this recommendation. However, the issue of which agency or agencies are best placed to lead a community planning process needs to be considered. Capacity for any agency to assume this role would need to be assessed in the context of all options, including health and education agencies that have a broader reach than the NIAA across remote communities in the NT. Adequate resourcing will also be required for any new or expanded agency roles.

### DRAFT RECOMMENDATION 6.2 **AN EXPANDED ROLE FOR THE TRIPARTITE FORUM**

*Role of Tripartite Forum to be expanded to provide advice to governments on funding allocation and funds pooling.*

DSS and the NIAA **agree in principle with this recommendation**. However, any expansion of the Tripartite Forum's role beyond an advisory role, including towards a mechanism for decisions about the way funding could be pooled (given the Tripartite Forum is not a government agency), would raise a number of legal and accountability issues that require further consideration.

Further, the small size of the Tripartite Forum may not be commensurate with the scale of work that would be required to review community plans and provide advice on funding arrangements. Any increased role for the Tripartite Forum may require additional resourcing and secretariat support. How the role is best supported and resourced is yet to be determined

### DRAFT RECOMMENDATION 9.2 **INDEPENDENT OVERSIGHT OF REFORMS**

*NT Children's Commissioner to monitor and publicly report on progress of reforms*

DSS and the NIAA **do not support** this recommendation. DSS and the NIAA agree with the NT Government that it would not be appropriate to expand the Children's Commissioner's role to include oversight of expenditure given its limited jurisdiction to oversee Australian Government funding. Additionally, the Children's Commissioner has suggested they are not best placed for this responsibility.



## Stronger supporting institutions

90. DSS and the NIAA agree that stronger supporting institutions are integral to the implementation of the Productivity Commission's recommendations. In particular, DSS and NIAA agree with the approach outlined in the draft report to support existing institutions to build their capacity to ensure the reform agenda is implemented effectively and efficiently. This includes working through established institutions such as the Tripartite Forum.

### Collaboration

91. The Royal Commission and the draft report identify the importance of collaboration to achieve outcomes. This is echoed by the recently released Final Report from the Independent Review of the Australian Public Service, which details the strong need for Australian Public Service agencies to work together to achieve results for all Australians.
92. DSS and the NIAA are committed to working with the NT Government to improve outcomes for children and families. Both acknowledge that collaboration is essential to ensure families and children in the NT receive the most efficient and effective services possible. As detailed in Paragraph 42, new mechanisms have already been established that are improving collaboration between agencies and the Australian and NT Governments.

### Community planning and regional networks

93. The time and resourcing required to undertake community planning in a respectful and meaningful way should not be underestimated.



## Conclusion

94. DSS and the NIAA remain firmly committed to addressing issues raised by the Productivity Commission's draft report. DSS and the NIAA will continue working with the NT Government and other stakeholders to deliver better outcomes for children and families in the NT.
95. DSS and the NIAA agree with the draft report's contention that parents, families, communities and governments all have a role to support and protect children from harm and neglect. This submission outlines work DSS and the NIAA are progressing to improve outcomes for children and families in the NT.
96. As outlined in this submission, DSS and the NIAA are working to improve outcomes for children and families in the NT. This includes progressing work through the Tripartite Forum on the Framework to coordinate funding in the NT, undertaking significant consultations with NT communities in relation to specific initiatives and moving towards a relational approach to contracting.
97. As the draft report acknowledges, although the NT children and family service system is complex, transformation is still possible. Streamlining funding arrangements is achievable but will take time and requires careful consideration by governments, service providers and communities.
98. DSS and the NIAA remain committed to this work and will continue to work with the Productivity Commission on the preparation of the final report. Both agencies look forward to the release of the final report and the direction it will provide for the future of this collaborative work.