

Combined Aboriginal Organisations of Central Australia

Submission to the Senate Inquiry into the IAS tendering process

Introduction

The Combined Aboriginal Organisations (CAO) of Central Australia is pleased to lodge a submission to the Senate Inquiry on the Indigenous Advancement Strategy (IAS) tendering process. The CAO is deeply dismayed with the Commonwealth Government's (the Commonwealth) approach to improving the levels of disadvantage being faced by our communities in Central Australia. The CAO acknowledges the well-meaning intent of the IAS, however we note that 'good intentions, sound policy and robust program design are not sufficient on their own: equally important is the capacity to deliver on policy intentions in a practical and effective way.'¹

About the CAO

The CAO is a collective of the major Aboriginal organisations in Central Australia. It was established in the early 1980's and plays a key policy and advocacy role in providing a platform for Aboriginal organisations in Central Australia. The CAO's charter is to ensure a collective voice on issues being faced by the Central Australian Aboriginal community in response to government policy / program development, implementation and coordination.

Recommendations

Recommendation 1 - The Combined Aboriginal Organisations of Central Australia recommends that a further review of all IAS applications be undertaken as a matter of urgency. Until such time as this review is completed, all Aboriginal organisations who currently receive 2014/15 IAS funding, should be granted transitional IAS funding for 2015/16, at the same 2014/15 level.

Recommendation 2 - The Combined Aboriginal Organisations of Central Australia recommends that a full review of the selection criteria for the IAS be undertaken in consultation with Aboriginal Organisations to ensure that the resultant programs and funding recipients will actually be working towards improving the lives of Aboriginal people. This review should seek to eliminate inherent bias against Aboriginal organisations in the selection criteria used in evaluating IAS applications.

Recommendation 3 - The Combined Aboriginal Organisations of Central Australia recommends that the Commonwealth review all IAS decisions in regards to negative impacts on Aboriginal organisations' employment and training outcomes and the continued

¹ Department of Finance and Deregulation, *Strategic Review of Indigenous Expenditure: Report to the Australian Government*, 2010, p 52. At http://www.finance.gov.au/sites/default/files/foi_10-27_strategic_review_indigenous_expenditure.pdf

existence of Aboriginal organisations, in light of significantly reduced funding levels and/or defunding decisions.

Design of the IAS

The Commonwealth advised that 'the IAS was designed to reduce red tape and duplication of grant funding recipients, increase flexibility, and more efficiently provide evidence based grant funding to make sure that resources hit the ground and deliver results for Indigenous people.'² In practice, the lack of proper planning in the design of the strategy resulted in confusion and chaos for many Aboriginal organisations in Central Australia. The fact that the IAS was rolled out over a very short period of time was detrimental to Aboriginal organisations in both Central Australia and nationwide.

The IAS was flawed from the outset due to a lack of proper consultative mechanisms in the design of the framework, which therefore did not allow Aboriginal people and organisations to provide any input into the strategy. This appears hasty and short-sighted, considering the strategy is aimed at improving the lives of Aboriginal people through strong and improved service delivery.

There was insufficient time set aside by the Commonwealth to fully consult with Aboriginal organisations on the potential impacts of rationalising 150 government programs into merely 5 large program streams. There also appeared to be lack of clear program logic within each of the 5 program areas as evidenced by poorly designed selection criteria and outputs with insufficient information provided on the Commonwealth's evaluation frameworks.

As a body which is comprised of the major Aboriginal organisations in Central Australia, the CAO was not consulted, nor were our member organisations, as to our views on the design of the IAS. This was a serious oversight by the Commonwealth, in circumstances where substantial evidence exists which points to the need for adequate and genuine consultation with Aboriginal people in the design and delivery of new policies and programs which represent a massive shift in the funding arrangements to Aboriginal people and communities.

If the CAO had been consulted by the Commonwealth, we would have recommended that the implementation of the IAS be staged over successive years 'or it will lead to creative destruction.'³

The IAS process caused a high level of anxiety within Aboriginal organisations as a result of the lack of genuine engagement by the Commonwealth. This has already severely and

² Australian Government, Indigenous Advancement Strategy Guidelines, page 2.

³ NT News, Nigel Scullion under fire for cuts under new Indigenous Advancement Strategy (14 March 2015). At <http://www.ntnews.com.au/news/northern-territory/nigel-scullion-under-fire-for-cuts-under-new-indigenous-advancement-strategy/story-fnk0b1zt-1227262451584>

detrimentally impacted on the relationship between the Commonwealth and Aboriginal people, organisations and communities in Central Australia⁴.

IAS Competitive Tendering Process

The new IAS programming process was apparently designed to deliver innovative solutions to the problems facing Aboriginal people and communities. Instead, it resulted in funding cuts to essential front-line services in the Central Australian Aboriginal community⁵ such as community night patrols, early childcare programs, education and training and youth services. Some of these funding decisions were subsequently quickly and quietly reversed by the Commonwealth when the realisation hit home that anti-social behaviour in towns like Alice Springs would only increase as a result of IAS funding cuts.

The CAO notes that the consistently changing policy landscape with respect to Aboriginal programs and services has resulted in confusion and chaos amongst many Aboriginal organisations in Central Australia. The time-frames for the implementation of the IAS by the Commonwealth caused a high level of distress and anxiety within our communities and this has been further compounded by the lack of detail on the 30 June 2015 changes to the ever devolving Remote Jobs and Community Programme (RJCP). The CAO is very concerned that the changes to the RJCP model will result in Aboriginal jobs being replaced by forced labour though work for the dole with no effort made to create job pathways for Aboriginal people in existing or potential jobs in communities.

With 6 weeks remaining until 1 July 2015, regional Commonwealth staff, RJCP providers and RJCP participants are still in the dark about how Work for the Dole will function on remote communities. Amended contracts have not been issued to providers, but the broad outline is wildly different from the RJCP contracts that were offered on a 5 year plus 5 year extension basis less than 2 years ago. Current financial modelling is based on engagement levels that are unattainable without adequate communication over an appropriate transitional time period, and official communication packages have not been forthcoming. RJCP participants are becoming aware of the lesser Work for the Dole requirements in urban/regional areas and community leaders are concerned that this will prompt an exodus of remote residents to regional centres. It is likely at this late stage that at least some providers will not be able to accept the new contract terms, as they will not be financially viable, causing further confusion as new providers may be required to step in. Again, this situation could be avoided with appropriate consultation, ground-trothing of policy development and realistic timelines for implementation.

The CAO further notes that Aboriginal organisations in Central Australia spent considerable time and effort lodging detailed funding applications under the IAS, with very limited resources and support⁶. The CAO is also aware of some Aboriginal organisations who

⁴ ABC News Alice Springs, Aboriginal organisations feeling cost of Federal Government funding cuts call for Nigel Scullion's sacking (11 March 2015). At <http://www.abc.net.au/news/2015-03-11/aboriginal-organisations-fell-cost-of-federal-govt-funding-cuts/6297284>

⁵ ABC News, Federal Government funding cuts 'possibly an oversight': NT Indigenous group (13 March 2015). At <http://www.abc.net.au/news/2015-03-13/funding-cuts-for-youth-must-be-an-oversight-indigenous-group/6315114>

⁶ SBS, Frustration as competitive Indigenous funding results released (4 May 2015). At <http://www.sbs.com.au/news/article/2015/03/10/frustration-competitive-indigenous-funding-results-released>

submitted partially completed applications or who did not submit applications at all under the IAS due to the complexity of the process and the insufficient 6-week time-frame for the lodgement of IAS applications.

The results of the IAS demonstrate that the competitive tender process was biased towards universities, national sporting bodies and non-Aboriginal NGO's who had better access to resources and expertise in writing impressive, glossy applications but unfortunately have an abysmal track record at delivering quality outcomes to remote Aboriginal communities. The IAS decisions reflect a lack of appreciation by the Commonwealth on the proven track record of many Aboriginal organisations who deliver quality outcomes to our communities which are otherwise poorly serviced. Many Aboriginal organisations were left having to consider reducing their services and/or face closure⁷ as a result of the IAS funding outcomes.

Organisations and individuals working within Central Australian Aboriginal organisations were shocked and disappointed about having to tender their services and programs against state governments, universities, national sporting bodies and non-Aboriginal NGO's. The CAO believes that the outcome results are indicative of the Commonwealth's efforts to mainstream Aboriginal services and further marginalise Aboriginal people and communities by removing employment and training opportunities for Aboriginal people given that a high percentage of employees within community controlled organisations are local Aboriginal people.

Rather than promote and reward innovative programs and services which have been developed by Aboriginal organisations delivering services over many years in Central Australia, the CAO believes that the IAS was heavily slanted towards funding being awarded to state governments, universities, national sporting bodies and non-Aboriginal NGO's. The CAO believes that the Commonwealth, through the IAS process, continues to use funding arrangements as a mechanism to control Aboriginal people and organisations by dictating who has the ability to go ahead and who gets cut off at the knees.

If the CAO was consulted on the design of the IAS, we would have recommended that some of the risks associated with the IAS reforms could have been mitigated by inviting Aboriginal organisations to apply first for IAS funding for programs and services that are currently being delivering to our communities then open up a competitive tendering process to mainstream organisations to fill any service provision gaps that may remain.

Decision Making by Government

The outcomes of the IAS outraged many Aboriginal organisations and communities across Central Australia through what some described as 'the most dysfunctional and incompetent government process I have witnessed in 40 years of working with remote communities. The lack of transparency in the government's process has been breathtaking. The previous system was bad enough, but they have set a new benchmark in dysfunction and hypocrisy.'⁸

⁷ Alice Springs News, IAD may close (13 March 2015). At <http://www.alicespringsnews.com.au/2015/03/13/iad-may-close/>

⁸ Northern Australian Indigenous Land and Sea Management Alliance, Peak Northern Indigenous Body denied funding under Government IAS funding scheme (Media Release), 27 March 2015.

The CAO has found the ineffectiveness and impracticalities of the IAS extremely difficult to reconcile. The lack of transparency in the IAS decision making process was a major cause for concern. The evaluation frameworks used by the Commonwealth to assess IAS applications are still unclear however, the fact that two-thirds of IAS funding was allocated to non-Aboriginal organisations indicates a massive shift in the way the Commonwealth intends to deliver services and programs to our communities in Central Australia.

We already have a catastrophic situation in Central Australia in terms of the appalling literacy and numeracy gap between Aboriginal people and non-Indigenous Australians and the decisions by the Commonwealth to channel the vast majority of IAS funding to non-Aboriginal organisations is alarming. The CAO is concerned that while non-Aboriginal organisations may have capacity to write successful funding applications, their ability to work with our communities to lift literacy and numeracy standards and get Aboriginal people into jobs is highly questionable.

The CAO holds grave concerns as to the deteriorating relationship between Aboriginal communities and the Commonwealth as a result of the confusing and chaotic decision making processes within the IAS.⁹

Communication with Aboriginal Organisation in Central Australia

The CAO is very concerned about the inability of the Commonwealth to communicate effectively with the Aboriginal community in Central Australia throughout the IAS process. The CAO notes there have been a number of similar concerns raised by other organisations lodging submissions to the Inquiry on the issue of communication. The CAO is aware that the piece-meal communication strategy engaged by the Commonwealth to advise applicants on the outcomes of their funding applications caused a high level of anxiety and frustration amongst Aboriginal organisations. Many Aboriginal organisations who were successful in their IAS bids received a letter from the Minister to advise of the success of their projects however the letters contained no detail about which projects were funded, funding amounts or funding terms. The next day, successful organisations received phone calls from officers within the Department of Prime Minister & Cabinet to provide detail on their successful applications. Many organisations are still awaiting formal notification from the department to confirm the level of funding under the IAS.

The CAO is alarmed at the lack of transparency by the Commonwealth throughout the IAS process. The fact that the Minister only released the names of the organisations who successfully received funding under the IAS following intense public pressure is a major concern. More concerning however was that the information provided, only contained the names of recommended organisations. Yet again, the piece-meal communication strategies by the Commonwealth confirmed the widely held view that the IAS was a shambolic and confusing process.

⁹ ABC News, Indigenous Affairs Minister Nigel Scullion in heated exchange with Aboriginal protesters (30 March 2015). At <http://www.abc.net.au/news/2015-03-30/scullion-argues-with-indigenous-protests-over-funding-cuts/6358882>

Impacts on Aboriginal Jobs and the Central Australian economy

The IAS promised to make the advancement of Aboriginal people a key priority of the Commonwealth; instead it has been a costly and demeaning exercise. Aboriginal organisations across Central Australia have lost funding for hundreds of jobs, many of which are held by local Aboriginal people. The CAO is extremely concerned that ‘the IAS and last year’s federal budget cuts have come to mean fears of front line service cuts, remote community job losses and Aboriginal organisations closing down.’¹⁰ The impacts from the IAS on local Aboriginal community controlled organisations have been appalling and indicate a complete lack of understanding on the part of the Commonwealth on the essential role that Aboriginal organisations play in the fabric of our community.

Aboriginal organisations are often the only employers of local Aboriginal people in Central Australia and they are an essential part of the Alice Springs economy, unlike the national organisations who are the recipients of IAS funding. The loss of Aboriginal jobs in Central Australia will once again put Aboriginal people on the economic scrap heap. The NT Chamber of Commerce surveyed¹¹ Central Australian organisations to gauge the economic and social impacts of the IAS. The 33 respondents reported that at least half were given less funding than in previous years for projects.

The CAO finds it difficult to understand how the Commonwealth expects that short term funding arrangements will get long term results when all the evidence suggests that a ‘long-term investment approach is needed, accompanied by a sustained process of continuous improvement and engagement.’¹²

We request that the Senate inquiry call upon the Commonwealth to review all IAS funding decisions to ensure that Aboriginal organisations are not forced into severe pruning of services provided to Aboriginal communities and employment/training of Aboriginal people throughout Australia.

Combined Aboriginal Organisations of Central Australia
18th May 2015

¹⁰ Land Rights News – Central Australia, IAS chaos sparks protests and probe, (April 2015). At http://www.clc.org.au/files/pdf/59610_CentralLandCouncil_CLC_Newspaper_36pp_LoRes_Alts6.pdf

¹¹ Alice Springs News, Funding cuts hurt Alice: Chamber of Commerce survey (19 March 2015). At <http://www.alicespringsnews.com.au/2015/03/19/funding-cuts-hurt-alice-chamber-of-commerce-survey/>

¹² Department of Finance and Deregulation, *Strategic Review of Indigenous Expenditure: Report to the Australian Government*, 2010, p 52. At http://www.finance.gov.au/sites/default/files/foi_10-27_strategic_review_indigenous_expenditure.pdf