



**Family Support Newcastle**  
*your family, our community*

## Submission to Finance and Public Administration References Committee re Commonwealth Indigenous Advancement Strategy tendering processes

### Introduction

The tendering process for the Indigenous Advancement Strategy has from the very beginning been seriously flawed and has had significant detrimental impact on services and communities. The impact will continue for vulnerable Aboriginal families that Family Support Newcastle (FSN) works with.

### Background

FSN has provided an effective family worker program with case managed, family centred and strength based services to parents of Aboriginal children for many years. Over the years we have assisted on average 40 families a year to make changes that improve the wellbeing of their children. We have always met our targets and our local contract managers have been impressed with our service and the outcomes that we achieve. We have worked with families to improve access to medical care, school attendance, manage behavioural problems, establish and maintain stable housing, escape domestic violence. We are proud to employ Indigenous staff and to have increased our Indigenous clientele significantly over the years as we have gained community trust and built our reputation.

### Experience of the Tendering Process

#### *Consultation*

To our knowledge, there was no consultation with service providers at any stage about the nature of services or any other aspects of the tendering processes. There was an information session about the funding (which may have been called a consultation) but at no time were we invited to give ideas about how the program should operate or how the tender process should be implemented. I suspect that there was little consultation with (or heeding of) local or even central office public servants, to judge from the process that ensued. Even the most elementary aspect of the process: a sensible timeframe – which any experienced public servant would be able to estimate - was flawed. Submissions closed mid- October. The outcome was to be known by the end of November for a start up on the 1<sup>st</sup> January. It is hard to imagine how anyone expected that such a huge funding round could reasonably be assessed, signed off, and organisations informed in a period of 5 or 6 weeks. Then of course, organisations were to be ready to start service on the 1<sup>st</sup> January!

#### *Effect of tendering time frame*

This tendering timeframe was only suitable for those projects that had been fully thought out and 'spade ready' prior to the opening of the tender process. As an organisation keen to get funding for innovative projects, we found this timeframe enormously frustrating. There was little time to develop up a submission even

without the processes that are required for consultation, collaboration and creativity.

#### *Evidence base and analysis underlying program design*

The aims of the strategy are all excellent, population-wide conditions of wellbeing:

- Children in school
- Adults in work
- Safe communities

However, the measures that should be applied at the service level are different. The difficulty that we are about to experience as we enter into negotiations around KPIs is that the measures that are to be applied are too narrow. For example, the program logic does not recognise that there are a number of strategies that can be implemented that will improve children's wellbeing and capacity to attend school but school attendance is not the only measure of positive outcomes. The service may be working to improve the family circumstances – e.g. supporting a parent to provide appropriate boundaries for her pre-school age children would be creating a condition that improves school-readiness but is not measurable under the stipulated outcome indicators (KPIs).

#### *Impact on service users*

The impact of the whole tendering process on service users has been significant. The most particular issue has been the unrealistic timeframes. As an existing service provider we were told that we had funding until December 2014. Submissions were called for at the beginning of September with a closing date mid-October. A well-run business must plan services and staffing levels. The IAS criteria include good financial management and governance but the tendering process and timeframe affected our ability to manage services and staffing levels. For FSN, we had long-term staff who would be made redundant if we were not successful in our EOI but who would have been very suitable if we were successful. The redundancy process needed to commence in August in order for us to meet our employer obligations. The resulting uncertainty was highly stressful and impacted on service delivery. We stopped taking new referrals in October, organised existing clients to receive alternative services in November and held off final notices of termination until November. We had notified referring agencies that we could no longer take referrals when we were informed that the program would be extended until the 30<sup>th</sup> June 2015. At that stage, we were fortunate enough to entice another Aboriginal staff member who had been made redundant to continue to work in the same uncertain environment for an additional 6 months. So we then notified agencies that we could provide short-term assistance for an additional 6 months.

For the future the impact is still of concern. We have been successful in all our applications but only for two years and with amounts that are in one case only a quarter of what is required to deliver an appropriate service. The uncertainty continues. It is very poor form to continue to foist onto the most disadvantaged communities short-term programs that may only just be getting underway, growing hope and trust when they are then slashed. It only serves to deepen the despair,

heighten the cynicism and erode the possibility of making lasting change. It is grossly disempowering and a process that we should be deeply ashamed of.

#### *Framework and Measures*

FSN has been successful in securing a small amount of funding for the three projects that we submitted. We are currently negotiating KPIs for these projects, some 6 months after the closing date for applications. In our submission, we clearly articulated as required a set of KPIs that were relevant to the projects. They included quantitative and qualitative measures that would relate to the conditions of wellbeing required. However, as we come to negotiating the KPIs for the project we are required to select from a limited range of measures that are largely too far removed from the desired outcomes of the projects. The Department appears unable or unwilling to apply any flexibility to the selection of outcome indicators. The KPIs that we are required to select from are unlikely to measure the impact of the project, and yet the project has been chosen as worthy of funding.

#### *Information about the decisions that have been made*

FSN submitted for three projects, each requiring a different amount of funding. The budgets proposed in our submissions were painstakingly prepared and calculated for each individual project. Yet we were offered the same amount of funding per year for two years for each program. The process of allocating the funds therefore appears arbitrary. I have requested feedback about how this was determined. I was initially told that I would receive feedback within 10 days. After two weeks, I rang back only to be told that the regional office should be able to tell me the answer – they couldn't – I had already asked them. I was then told that I would receive a response in another week. I am still waiting.

The 'successful' decision for our submissions is bittersweet as the significantly reduced funding offer affects our ability to deliver appropriate services, including adequate remuneration for skilled Indigenous staff.

#### *The effect and cost impact of delays in the assessment process*

The time frames, delays, and sudden extension of funding have been extremely difficult to manage. They have impacted on service delivery and outcomes for families. They have stressed dedicated staff to the point that they have left positions. They have made planning and financial management extremely difficult in a sector where we are expected to have reserves but the funding never allows for the accumulation of funds.

Not for profit organisations are expected to manage their project funds for a deficit (all unexpended funds are returned to the funder, even if targets are met), we are required to abide by an employment award that quite rightly provides for redundancy. Because we are good employers and know that secure employment supports good service delivery, we provide permanency of employment. To manage staffing and financial risk, projects such as this need long-term certainty and twelve months lead time if contracts are to end. This allows for the transition of clients to other services (if they exist), and appropriate redundancy of staff, without the organisation being made financially vulnerable.

### *Other related matters*

If organisations are required to repeat this process in two years' time, with a further 6 months of waiting for a verdict on funding, the last vestiges of hope, energy and trust will be eroded from both the sector and the Aboriginal people. If the government has been able to implement 5 year contracts in the recent DSS round of contracting, why is it not possible to do the same with the IAS funding? Is it possible that there is a form of covert racism happening?

The IAS is about getting Aboriginal people into jobs and reducing disadvantage. Our submissions needed to demonstrate how all projects would do that. And yet the funding process has resulted in us only being able to offer two year contracts, and grossly reduced hours.

I would like to also draw the enquiries attention to the divisive process that has mainstream and Aboriginal services competing against each other for funding to assist Aboriginal people. A possibility for the future, could be two streams of funding: one that is specifically for Aboriginal services and the other that is provided to increase the accessibility of mainstream services. This was done very successfully many years ago by the equivalent of DSS when they were wanting to make family relationship services more accessible to Aboriginal people.

### *Conclusion*

The process that Aboriginal people and the sector have been subjected to in the Indigenous 'Advancement' Strategy has been disempowering: clients, communities and the service sector. It is likely that it has also been disempowering of the public service sector as well since it shows little evidence that any good advice that would have been provided has been heeded.

The process has flouted all the processes that are espoused in the IAS and expected of funded organisations: effective consultation, collaboration, good employment for Aboriginal people, and evidence-based practise. Whether the program delivers good outcomes for a significant number of Indigenous people is debatable if other 'successful' services have been funded in the same arbitrary way that FSN has been funded.