



NINTI INNOVATION
ONE FOR REMOTE
AUSTRALIA

Ninti One Limited

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17 April 2015

Committee Secretariat

Senate Finance and Public Administration Committees

PO Box 6100

Parliament House

Canberra ACT 2600

Submission to the Senate Committee Inquiry:

Commonwealth Indigenous Advancement Strategy tendering processes

Dear Committee Secretariat

Thank you for the opportunity to comment on the Indigenous Advancement Strategy (IAS) tendering process.

Ninti One is a not-for-profit, national company that builds opportunities for people in remote Australia through research, innovation and community development. Ninti One employs 21 permanent staff plus around 100 Indigenous Community Change Agents (ICCA) per year in remote Australia on short-term employment contracts. We are head-quartered in Alice Springs and we have worked in all remote regions across Australia.

Dr Tom Calma AO is the Chairman of the Ninti One Board and our Constitution requires that either the Chair or Deputy Chair to be Aboriginal people. Currently both our Chair and Deputy Chair are Aboriginal people.

Our applications were built on 11 years of applied research by 15 universities, State and Territory governments and private firms in remote Australia. We also drew on leading international approaches based on research evidence. Each was an innovative proposal to address the 5 priorities of the IAS – in all cases resulting in gains in effectiveness, efficiencies and value-for-money. Our 11-years of research expertise means that we are one of Australia's leading authorities on IAS priorities – in particular, on how to create jobs and get kids in school in remote Australia.

We applied for funding for nine different innovative programs in the IAS funding round.

We were pleased to be awarded one successful application – which was an extension of an existing program. This is the 'Stronger Communities for Children program (SCfC)', which supports Aboriginal people to build strong, independent lives, where communities, families and children are safe and healthy. It ensures that local people are in control of local decision making about services. We requested \$4.1m over 3 years for the continuation of SCfC. We



were granted funding of \$750K for 18 months for up to ten communities in the NT. This activity will be implemented in partnership with the Menzies School of Health Research.

Eight of our nine proposals were unsuccessful, and one of these could have potentially created 500 jobs in remote Australia. These eight were mainly aimed at improving service delivery and access to services and innovative job creation for Aboriginal and Torres Strait Islanders in remote Australia – i.e. some of the hardest jobs to create in Australia. They form most of the \$ value of our applications.

We will continue to explain the benefits of our innovations to the government and we hope that the innovations will be adopted to benefit remote communities at some stage in the future.

Our summary of the IAS opportunity is summarized in Annex 1, according to the inquiry's topics.

Yours sincerely

Rod Reeve

Managing Director

Ninti One Limited: *Innovation for remote Australia*

Managing the: Cooperative Research Centre for Remote Economic Participation (CRC-REP)

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Annex 1 - The impact on service quality, efficiency and sustainability of recent Commonwealth Indigenous Advancement Strategy tendering processes by the Department of the Prime Minister and Cabinet, with particular regard to:

- a. *the extent of consultation with service providers concerning the size, scope and nature of services tendered, determination of outcomes and other elements of service and contract design;*

Good. The public briefings were clear and informative, and the information was easy to follow on the IAS website. The successful application was an extension of existing work.

- b. *the effect of the tendering timeframe and lack of notice on service collaboration, consortia and the opportunity for innovative service design and delivery;*

The timeframe was adequate. We are fortunate to have good facilities in Alice Springs and well qualified staff who are experienced in applying for grants. We understand clearly that this is not the case across most of remote Australia. We helped some other organisations in remote Australia with their applications.

the opportunity for innovative service design and delivery:

There was unlimited opportunity to tender for the opportunity for innovative service design and delivery. However, our experience was that PMC did not reward the innovations in any of the 8 unsuccessful applications. Whilst we respect PMC's decision, our proposals were built on 11 years of applied research by 15 universities, State and Territory governments and private firms in remote Australia. We also drew on leading international approaches based on research evidence. Each was a responsible and innovative proposal to address the 5 priorities of the IAS – in all cases resulting in gains in effectiveness, efficiencies and value-for-money. The Australian government and State/Territory governments have funded us to conduct many millions of dollars of research and innovation across remote Australia, under two Cooperative Research Centre (CRC) agreements – focused on IAS priorities of jobs and kids-in-schools.

- c. *the evidence base and analysis underlying program design;*

We respected the PMC's program design and we responded accordingly.

- d. *the clarity of information provided to prospective tenderers concerning service scope and outcomes;*

The criteria were clear to us.

- e. *the opportunities created for innovative service design and delivery, and the extent to which this was reflected in the outcomes of the tender process;*

It was our experience that our proposals for innovative design and delivery were not rewarded in the IAS funding round. Our 8 innovative proposals were all unsuccessful. As described above, these proposals were based on several millions of dollars of CRC research and innovation funding from the Australian and State and Territory governments and private industry.



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- f. *the number of non-compliant projects, the nature of the non-compliance, if and how they were assisted, and how many of these were successful;*

We believe that all of our proposals were compliant.

- g. *analysis of the types, size and structures of organisations which were successful and unsuccessful under this process;*

No more to add.

- h. *the implementation and extent of compliance with Commonwealth Grant Guidelines;*

No more to add.

- i. *the potential and likely impacts on service users concerning service delivery, continuity, quality and reliability;*

We define 'service users' to be Indigenous people living in remote Australia. We proposed solutions to the five IAS priorities for Indigenous people living in remote Australia. In one application, we proposed an innovative way of strengthening private enterprises in remote Australia to provide an estimated 200 newly created private sector long-term jobs for working-age Aboriginal and Torres Strait Islanders by 2020, and 500 new jobs by 2025. Further, this would improve the standard of living for Aboriginal and Torres Strait Islander Australians, meaning savings in welfare in the order of \$60 million over the first 6 years; and a further \$100 million in the following 10 years. We proposed to mobilise \$20 million of private sector money to support the government investment.

Hence we believe that there is a significant impact on service users.

Our application demonstrated that we could create more jobs at a substantially lower cost than current government investments.

- j. *the framework and measures in place, if any, to assess the impacts of these reforms on service user outcomes and service sustainability and effectiveness;*

Our proposals had world's best practice for assessing impacts, sustainability and effectiveness.

- k. *the information provided to tenderers about how decisions are made, feedback mechanisms for unsuccessful tender applicants, and the participation of independent experts in tender review processes to ensure fairness and transparency;*

Good. We were telephoned by the PMC manager within a few hours of receiving the 'application outcome' letter from PMC. We have not had specific advice about why our other applications were unsuccessful.

- l. *the impact on advocacy and policy services across the sector;*

Nothing to add.

- m. *factors relating to the efficient and effective collection and sharing of data on outcomes within and across program streams to allow actuarial analysis of program, cohort and population outcomes to be measured and evaluated;*

Nothing to add.



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- n. *the extent of contracts offered, and the associated conditions, to successful applicants;*
As our only successful application was an extension of existing work, the contracting process has so far been quite normal. We have yet to receive information about proposed key performance indicators or what the Government expects as outcomes given the much reduced funding offer.
- o. *the effect of mandatory incorporation under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 on Indigenous organisations receiving grants of \$500 000 or more per annum;*
Nothing to add.
- p. *the effect and cost impact of delays in the assessment process and the extension of interim funding on organisations pending the outcome of the Indigenous Advancement Strategy; and*
The delay had little impact on us – mostly because our applications were for new and more effective innovations – as opposed to continuation of existing work. We were counting on being successful so that we could potentially create 500 new jobs in remote Australia; as well as jobs in our organisation.

On the successful application (SCfC): a draw-back is that with only 18 months of contract certainty, it will be challenging to retain our experienced staff to undertake the work. Some staff will be more attracted to job security that exists in alternative longer-term work. Another challenge for us is to manage the existing program with relatively fewer \$s.

We are aware that a number of our partner organisations were anxiously awaiting the IAS announcements, as the future of their organisations were much more tightly bound to IAS funding.

- q. *any other related matters*
We found difficulty compressing 9 proposals into the page limit – and this constrained how well we could describe each of our applications. We suggest that in future each project proposal is included as a continuous proposal addressing all criteria; rather than splitting each project against individual criteria.
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