

## Chapter 2

### The Indigenous Advancement Strategy program design and delivery framework

2.1 This chapter covers the issues raised with the committee regarding the program design and delivery framework of the Indigenous Advancement Strategy (IAS).

#### Streamlining Indigenous programs

2.2 Some witnesses saw potential benefits in streamlining 150 programs for Indigenous Australians into the five IAS priority areas, as a way of making program delivery more flexible, as well as reducing red tape for funding applications. For example, Mr Mick Gooda, the Aboriginal and Torres Strait Islander Social Justice Commissioner, told the committee that when the program was announced, he thought it had:

...the potential to offer great benefit and flexibility for Aboriginal and Torres Strait Islander people. I believed that this approach could provide more scope to develop on-the-ground responses to the issues that confront our communities on a daily basis, and had the potential to move away from a one-size-fits-all mentality that has for so long confounded our people.

I believed that if done properly, this restructure had the potential to achieve the Australian government's stated aims of reducing red tape and cutting wasteful spending on bureaucracy, which would in turn translate to a greater share of funds being provided on the ground.<sup>1</sup>

2.3 However, Mr Gooda reported that the 'high hopes' he had for the program had 'not fully materialised' as:

...[t]he changes have meant deep cuts, uncertainty, stress and anxiety for Aboriginal and Torres Strait Islander peoples.<sup>2</sup>

2.4 Similarly, Mr Les Malezer, Co-Chair, National Congress of Australia's First Peoples (National Congress), told the committee that:

We certainly have no problem with the objectives of streamlining or simplifying the process but, again as we have heard already, it was being attempted too quickly, too dramatically and in a way in which our people and communities have not yet been able to cope. We suspect that over the next 12 months we will see further fallout from the problems that have occurred in that.<sup>3</sup>

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1 *Committee Hansard*, 29 June 2015, p. 1.

2 *Committee Hansard*, 29 June 2015, p. 1.

3 *Committee Hansard*, 29 June 2015, p. 35. See also Ms Kirstie Parker, Co-Chair, National Congress of Australia's First Peoples (National Congress), *Committee Hansard*, 29 June 2015, p. 37.

2.5 Mr Gooda told the committee that 'if [Indigenous] people have confidence in the outcome, we must also have confidence in the process'.<sup>4</sup> He further explained the importance of stakeholders having faith in the transition to and implementation of the IAS competitive funding process:

...it was always understood that some organisations would be de-funded through this process, because governments come in and set priorities, which is the government's right, and some would miss out there. But my point to government was that when that happens even the organisations that miss out have to understand that they were treated fairly in the process.<sup>5</sup>

### **Lack of consultation and engagement with Indigenous communities**

2.6 One of the overarching themes of evidence to the committee was that there had been a lack of consultation and engagement by government with Indigenous communities in the program design and implementation of the IAS. For example, Mr Gooda submitted:

Respectful engagement with Aboriginal and Torres Strait Islander peoples regarding these significant changes was conspicuous by its absence; there was little or no input from Indigenous peoples, their leaders or their respective organisations into the design or the implementation of the tendering processes.<sup>6</sup>

2.7 Moreover, Mr Gooda commented that there had been only limited consultation with stakeholders about how existing programs for Indigenous Australians were grouped into the five new IAS funding streams:

There was little or no consultation with those working on the ground about which programs and activities were best kept together, or which departments were best placed to administer them.<sup>7</sup>

2.8 Mr Rod Little, Director, National Congress, also reported that they had not been consulted at the beginning of the process and suggested there should have been greater involvement of Aboriginal and Torres Strait Islander people in the design and delivery of the IAS.<sup>8</sup>

2.9 These concerns were also shared by smaller organisations and service providers that made submissions to the inquiry. For example, Family Support Newcastle submitted that they were unaware of any consultation process, beyond a single information session about applying for funding:

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4 *Committee Hansard*, 29 June 2015, p. 1.

5 *Committee Hansard*, 29 June 2015, p. 6.

6 *Submission 15*, p. 2

7 *Submission 15*, p. 6.

8 *Committee Hansard*, 29 June 2015, p. 38. See also Mr John Paterson, Chief Executive Officer, Aboriginal Peak Organisations of the Northern Territory, *Proof Committee Hansard*, 16 February 2016, p. 2; Mr Graham Dowling, Interim Chairman, Combined Aboriginal Organisations of Central Australia, *Proof Committee Hansard*, 16 February 2016, p. 35.

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.<sup>9</sup>

2.10 Inala Wangarra also wrote that the IAS process failed to engage with Indigenous communities:

The Indigenous Advancement Strategy offered the rhetoric of working with Indigenous communities but failed, from the onset, to engage Indigenous communities and organizations operating at the coalface of service delivery. There wasn't a consultation process that offered Indigenous people the opportunity to participate in the development of the new reforms in Indigenous policy.<sup>10</sup>

2.11 The Aboriginal Health and Medical Research Council of NSW highlighted the need for more consultation in the design and implementation of Indigenous services:

[T]he development of innovative services requires careful planning and consultation. There are many things to consider when planning Aboriginal services, including community need, existing services, stakeholders and partners.<sup>11</sup>

2.12 Some submitters to the inquiry commented that the transition to the IAS process had been a 'top-down approach', which was an ineffective way of engaging communities.<sup>12</sup> This theme was drawn out by Mr Gooda, who told the committee:

My sense was that it was a bureaucratic process of officers of the Department [of the Prime Minister and Cabinet] out there deciding what was need[ed] by communities, when in fact that is the opposite of what you should be doing. You should be engaging with the community to work out what the community is saying.<sup>13</sup>

2.13 Ms Liza Carroll, Associate Secretary, Indigenous Affairs, Department of the Prime Minister and Cabinet (PM&C or the Department), responded to criticisms of the extent of government engagement and consultation with Indigenous communities about the design and implementation of the IAS:

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9 *Submission 5*, p. 1.

10 *Submission 11*, p. 3.

11 *Submission 12*, p. 1.

12 See Inala Wangarra, *Submission 11*, p. 3; Kimberley Institute, *Submission 16*, p. 45; Ms Henrietta Marrie, *Submission 19*, p. 5, 12; UTS Jumbunna Indigenous House of Learning, *Submission 22*, p. 3; The Hon Fred Chaney AO, *Submission 24*, p. 2; Kimberley Land Council, *Submission 30*, p. 3; Community Council for Australia, *Submission 34*, p. 4; WA Council of Social Service, *Submission 49*, p. 3; Reconciliation WA, *Submission 64*, p. 2.

13 *Committee Hansard*, 29 June 2015, p. 5.

The IAS came into being through a budget related process. Obviously those budget processes are more confidential. What we did in the lead-up to that budget process was...look at all the reviews and things that had gone before to get us to that place. Once the IAS was established we then communicated about the IAS and the next steps. We are taking on board the fact that people were asking for extra engagement and consultation in those early stages, which is why, through the review process, we want to make sure that we look at what engagement is needed before any future processes occur.<sup>14</sup>

2.14 Ms Carroll also acknowledged that the Department now realises more engagement should have been undertaken in the early stages of designing and delivering the IAS:

...we probably had underestimated the amount of effort that we are now realising was needed up-front. We recognised it needed some, but I do not think we had recognised the depth of that early enough.<sup>15</sup>

2.15 Ms Carroll added that PM&C had learned from this and were building in more robust engagement processes to the ongoing implementation of the IAS:

...the key thing for us, I think, is that we did not engage heavily enough at the beginning of the process. Post the budget decision and announcement, we did not have a consistent enough engagement plan and mechanism for engaging more broadly with service providers and the community more generally, and a plan to then build that into thinking about how we get from where we are to where we need to be. It was really about more not just communication but also engagement up-front, which is why we are making sure we have a much more consistent and thorough engagement process as we go forward.<sup>16</sup>

2.16 The Department told the committee that PM&C has set up a branch that will focus on not only the immediate reviews of the IAS but also will consider how 'broader engagement, communication and consultation' with stakeholders about the whole of PM&C's Indigenous program can be undertaken.<sup>17</sup>

## **Program design and framework**

### ***Transition timeframe***

2.17 The committee received evidence that the timeline for the design and implementation of the IAS was too ambitious given the scale of the task and amount of change already occurring in the area with the shift of policy and program delivery to PM&C.

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14 *Committee Hansard*, 29 June 2015, p. 46.

15 *Committee Hansard*, 29 June 2015, p. 55.

16 *Committee Hansard*, 29 June 2015, p. 69.

17 Ms Liza Carroll, Associate Secretary, Indigenous Affairs, Department of the Prime Minister and Cabinet (PM&C), *Committee Hansard*, 29 June 2015, p. 57. Note: the reviews being undertaken into the IAS are discussed in the following chapter.

2.18 The transfer of all Indigenous programs to the IAS administered by PM&C was announced by the government on 13 May 2014 as part of the 2014-15 Budget process.<sup>18</sup> This announcement stated that the IAS would be 'implemented gradually' over the first quarter of the 2014-15 financial year.<sup>19</sup>

2.19 Subsequently, the IAS Guidelines released in July 2014 indicate the IAS was to be implemented from 1 July 2014 with a transition period of 12 months 'to allow continuity of frontline services and time for communities and service providers to adjust to the new arrangements'.<sup>20</sup>

2.20 Mr Gooda drew attention to the scale of the changes to be achieved in the time frame:

Restructuring programs and funding processes, which will affect around 1400 organisations with over 3000 funding contracts, is complex and stressful. It is also time consuming and calls for a highly skilled and culturally competent workforce that is cognisant of the magnitude of this task.<sup>21</sup>

2.21 Mr Gooda added:

It will take time to build the administrative systems, acclimatise staff in the new structure within PM&C, and for Aboriginal and Torres Strait Islander peoples, already cynical and fatigued by change, to have confidence in the competence of those implementing these new arrangements.<sup>22</sup>

2.22 In addition, as the National Aboriginal Community Controlled Health Organisation (NACCHO) explained in its submission, there were the administrative reforms within government, being undertaken in parallel with the policy reform:

[I]mplementation of the IAS to rationalise the 150 programs into 5 streams was a decision of Government. The shift of responsibility for Indigenous policies, programs and service delivery to PM&C from eight government agencies from September 2013 was significant. In this time a total of 19 months has expired. The Departments that previously had carriage for particular components of Indigenous Affairs were the Attorney General's Department, Department of Communications, Department of Education, Department of Employment, Department of Environment, Department of Health, Department of Industry, Department of Social Services and the Department of Human Services. Furthermore no consultation was had with front line service providers about the program design prior to shifting

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18 Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, 'Delivering our commitments for Indigenous Australians ', Media release, 13 May 2014.

19 Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, 'Delivering our commitments for Indigenous Australians ', Media release, 13 May 2014.

20 IAS Guidelines, p. 3.

21 *Submission 15*, p. 1.

22 *Submission 15*, p. 1.

responsibilities or an assessment of the likely or unlikely policy implications of the IAS.<sup>23</sup>

### ***Lack of an evidence base***

2.23 Submissions to the committee observed that there did not appear to be a clear evidence base for the program design of the IAS. For example, the Literacy for Life Foundation stated:

We are not aware of there being a strong evidence base for the actual model. The program logic, which connects the program areas to the policy outcomes, is not at all clear, as we discovered when we tried to make the work that we do fit into the particular program areas.<sup>24</sup>

2.24 The Victorian Aboriginal Child Care Agency expressed serious concerns that the program design of the IAS lacked an evidence-based approach:

There did not appear to be any evidence base directing the changes to Commonwealth funding grants. Government policy including objectives were unclear seemed to be driving the complete revamp of Commonwealth funding to Aboriginal services. We seriously question the approach that was taken and wonder what the objectives of the Government were. Certainly, the way the changes happened and the overwhelming feeling in the Aboriginal community is one of being under siege, uncertainty and insecurity.<sup>25</sup>

2.25 These views were supported by NACCHO

The decision to streamline the 150 programs into 5 areas without evidence or consultation about program design on such crucial programs is appalling.<sup>26</sup>

2.26 At the public hearing, Ms Carroll, PM&C stated:

A lot of work that had previously been done through ANAO and the Department of Finance led to this policy initiative to streamline the funding streams. The ANAO had a report, *Capacity development for Indigenous service delivery*, which analysed [the Department of Families, Housing, Community Services and Indigenous Affairs' (FaHCSIA)] funding for Indigenous affairs. It found that since July 2007 a total of 820 organisations had received funding from 84 different programs. On average each organisation had 4.5 funding agreements, and they were required to submit over 20,000 performance and financial acquittal reports, and that is the key driver for the reform.<sup>27</sup>

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23 *Submission 70*, p. 9.

24 *Submission 26*, p. 2.

25 *Submission 45*, p. 5. See also NSW Aboriginal Education Consultative Group, *Submission 29*, p. 19.

26 *Submission 70*, p. 9.

27 *Committee Hansard*, 29 June 2015, pp 44-45.

### *IAS program design*

2.27 The committee received some evidence in support of the concept for streamlining of 150 individual Indigenous programs into five broad programs. Reconciliation Australia was of the view that the IAS structure 'could potentially improve the effectiveness and efficiency of funding within Indigenous Affairs when properly implemented'.<sup>28</sup>

2.28 Mr Gooda explained that he supported the reform because, potentially, it would create flexibility:

[W]hen you have 150 activities or programs there are 150 little boxes, and if you do not fit into one of those boxes you do not get funded. When there are five there is lots of flexibility and it is a matter of interpretation about how you address the core need of each of those programs. But I still support that. I still think it creates a lot of flexibility.<sup>29</sup>

2.29 Mr Gooda cautioned that it was important to 'lead people through the process' and that it would take time for the new program structure, along with the broader changes to administrative structures and staffing, to 'settle'.<sup>30</sup>

2.30 However, the committee also received evidence that IAS' five broad programs may not cover all the areas encompassed in the previous 150 programs. For example, Mr Robert Dalton, Policy and Research Advisor, Northern Land Council, commented:

I understand there are possibly 150 Indigenous-specific programs that have moved into five. In the context of the complexities of the systems and processes that government use, I think it is almost impossible to escape the conclusion that something would have fallen off the table. I am not suggesting that that is a deliberate intention from the government, but the amount of administrative work that would have had to go into that collapsing of 150 programs would suggest that it was inevitable that something would have fallen off.<sup>31</sup>

2.31 The Aboriginal Health and Medical Research Council of NSW stated that the streamlining of programs had caused confusion as it was not clear how existing programs were to fit into the 'very narrow scope of the options' in the IAS funding streams:

Drug and alcohol and social and emotional wellbeing programs were confused as to which section they fit and how their programs fit in to the IAS given they had been moved from the Department of Health. The Safety and Wellbeing program was very poorly described with no reference to the

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28 *Submission 44*, p. 4.

29 *Committee Hansard*, 29 June 2015, p. 5.

30 *Committee Hansard*, 29 June 2016, pp 3 and 5.

31 *Proof Committee Hansard*, 16 February 2016, p. 7.

previously funded programs, its relationship to health and health service delivery or to existing policies and manuals/handbooks.<sup>32</sup>

2.32 Mr Malezer, National Congress, gave a further example of programs dealing with youth issues as not seeming to fit in the IAS programs:

Remember, it is a very broad and flexible program now, and it has five priorities that the government has identified and so on. But one of the things that we were noticing just recently is what has happened to the attention to youth. There is this focus upon children and education, this focus on jobs and this focus on various things, but what can we see in there in relation to how our youth are going to be affected by this? Our youth are a very serious problem, not only because they are the generation of tomorrow but because we are facing high suicide rates, continuing incarceration, drug abuse and other things like that.<sup>33</sup>

2.33 NACCHO argued that IAS funding did not cover advocacy and policy services as these services were not provided for in the five broad programs.<sup>34</sup> Literacy for Life also had these concerns:

...the five priority areas were framed up in a way that the work we proposed to do, raising adult literacy levels on a population basis, did not fit neatly inside. Yet, low levels of English language literacy within the Aboriginal adult population are incontrovertibly a major underlying determinant of problems in all the priority areas.<sup>35</sup>

2.34 Ms Christina Davidson, Chief Executive Officer, Association of Northern Kimberley and Arnhem Aboriginal Artists spoke about the importance of culture and the need to recognise that importance in Indigenous funding. She highlighted the role of culture in driving success in a wide range of areas. She also argued that funding for cultural activities did not seem to be recognised as integral to the policy priorities of the government.<sup>36</sup>

2.35 Mr Geoffrey Scott, Chief Executive Officer, National Congress, explained that he had tried to raise with PM&C some of the concerns he had regarding the program design, timing and streamlining:

When the program was first coming out, I was talking to Mr Gooda and had a few chats with the officers in Prime Minister and Cabinet. We were looking at some of the programs and citing the potential problems of the competitive tendering, of the way the program was designed, that they were trying to roll programs into five other programs and what the potential fallout and timeframes would be—trying to cite the potential problems and damage that was going to be caused. They were noted and ignored. Maybe

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32 *Submission 12*, p. 2. See also Victorian Council of Social Service, *Submission 56*, p. 7.

33 *Committee Hansard*, 29 June 2015, p. 41.

34 *Submission 70*, p. 15.

35 *Submission 26*, p. 4.

36 *Proof Committee Hansard*, 16 February 2016, p. 53.

at this point the decision had already been taken and it was too late; I do not know.<sup>37</sup>

### ***Funding through a competitive tender***

2.36 Evidence to the committee highlighted two concerns about the shift to a competitive tender model:

- that such a model disadvantaged Indigenous corporations; and
- that the model used did not recognise the enhanced outcomes of service delivery by Indigenous organisations.

### ***Disadvantage to Indigenous organisations***

2.37 The committee heard the view that the move to a competitive funding arrangement positioned small, Indigenous community-controlled organisations against well-resourced and experienced applicants, including large not for profit associations and the university sector.<sup>38</sup> It was argued that this shift to a competitive funding process was a significant change that many Indigenous organisations were ill-equipped to deal with. Mr Gooda advised:

Many organisations had neither the capacity nor the resources to put together the kind of application required with the tender, and those that did spent a significant amount of time and money to complete their application. I am aware that many of our organisations hired consultants just to complete their application process, many without successes.<sup>39</sup>

2.38 Ms Lisa Briggs, Chief Executive Officer, NACCHO, agreed that the transition to a competitive process was difficult as:

...it was coming from what was an untendered process to now an open market tender process where [organisations and service providers] have to compete for funds. Historically we had lobbied really hard not to have that particular process or another process put in place because, historically, we had seen reduction either in funding or diversion from Aboriginal organisations to mainstream services. Hence we have had issues around reach and capability of mainstream services as to whether they were able to do that. So a lot of the angst comes from historical knowledge over the 45 years that our member services have been around.<sup>40</sup>

2.39 Ms Kirstie Parker, Co-Chair, National Congress, also had some reservations about whether a competitive funding process was the best way of funding services for Indigenous Australians:

[C]ompetitive tendering on the face of it should be an acceptable process; however, the confidence that our members have around acceptance of and

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37 *Committee Hansard*, 29 June 2015, p. 40.

38 See, for example, Inala Wangarra, *Submission 11*, p. 3.

39 *Committee Hansard*, 29 June 2015, p. 2.

40 *Committee Hansard*, 29 June 2015, p. 25.

value being placed on the expertise within our community organisations is less than perhaps it could be if things had been different historically over time. If the relationships that our organisations have within our communities and the involvement of local people in those organisations need to be appreciated and valued—as opposed to organisations that may not have anything to do with a particular community or a particular group of people that try to come in and impose a whole different set of values and a lack of appreciation for community nuance, histories and cultures—it might be a different situation.

... of course organisations have to be functioning well and there have to be expectations placed upon them. But in some cases we have had organisations doing a terrific job and clearly meeting the demands of the community and being supported by the community but being forced into a process of competitive tendering.<sup>41</sup>

2.40 PM&C acknowledged that the transition to the new arrangements has been a significant shift for many organisations delivering services to Indigenous communities. Ms Carroll, PM&C, explained the rationale for competitive funding:

The competitive funding round is one element of the broader IAS reform agenda. The IAS is designed to manage a more strategic investment in Indigenous affairs. The IAS also seeks to improve the way government does business, including simpler program management arrangements, less red tape and, in particular, fewer performance and financial and acquittal reports. The new arrangement seeks to provide more flexibility and a more consistent approach across the different program areas while allowing for local-level decisions and differences.<sup>42</sup>

2.41 While some PM&C staff were made available to assist organisations with their applications, Ms Carroll admitted:

...even we had underestimated the breadth and difficulty for a number of organisations. Some of that is what contributed to the fact that we were not able to...finish our assessment process at the end of last financial year, because we had underestimated how difficult that transition would be for organisations.<sup>43</sup>

2.42 However, Ms Carroll also reported that while difficult for organisations, the process will provide clarity around what is being funded and what outcomes are being achieved.<sup>44</sup>

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41 *Committee Hansard*, 29 June 2015, p. 38.

42 *Committee Hansard*, 29 June 2015, p. 45. See also Mr John Paterson, Chief Executive Officer, Aboriginal Peak Organisations of the Northern Territory, *Proof Committee Hansard*, 16 February 2016, p. 2.

43 *Committee Hansard*, 29 June 2015, p. 47.

44 *Committee Hansard*, 29 June 2015, p. 47.

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*No recognition of enhanced outcomes from Aboriginal led service delivery*

2.43 Witnesses were concerned that the benefits of Aboriginal-led service delivery were not recognised in the process. For example, Family and Relationship Services Australia submitted that many applicants were dissatisfied with the weighting given in the IAS assessment process to established programs with connections to communities that were delivering good outcomes:

The lack of weighting, particularly with respect to developing and maintaining working relationship[s] with Indigenous communities and other relevant stakeholders disadvantaged organisations that had a long-standing history of working with communities and other local providers.<sup>45</sup>

2.44 The Central Land Council (CLC) spoke of their concerns in this area:

The CLC remains deeply concerned that the IAS program design does not support Aboriginal people and their communities to determine funding priorities, nor adequately ensure that funding is directed to Aboriginal controlled service provision as a priority.<sup>46</sup>

2.45 The CLC also highlighted the possible outcomes of this approach:

The CLC remains concerned about the consequences of the increasing use of non-Aboriginal nongovernment organisations (NGOs) in Aboriginal service provision, particularly in relation to the fragmentation of service delivery, lack of coordination with Aboriginal organisations and service providers, lack of genuine capacity development outcomes and indeed the gradual erosion, undermining and loss of Aboriginal-controlled organisations.<sup>47</sup>

2.46 Aboriginal Peak Organisations of the Northern Territory (APO NT) were concerned that the competitive funding process may not take into account the benefits to government of funding Indigenous organisations, including lifting Indigenous employment rates, and fostering community self-reliance and responsibility:

The Aboriginal controlled organisations delivering these services are not only best suited for doing so, but provide the priority outcomes that the Government is seeking in terms of sustainable Aboriginal employment as well as experience and engagement in governance and management, and the development of community self-reliance and responsibility. Government investment would be better placed in supporting and funding the further development of these organisations based on demonstrated outcomes and quality assurance in governance, management and service delivery.<sup>48</sup>

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45 *Submission 57*, p. 11.

46 *Submission 65*, p. 2.

47 *Submission 65*, p. 3.

48 *Submission 72*, p. 8. See also Mr John Paterson, Chief Executive Officer, Aboriginal Peak Organisations of the Northern Territory, *Proof Committee Hansard*, 16 February 2016, p. 2.

2.47 Ms Parker, National Congress, stressed the importance of supporting and building capacity in Indigenous organisations, so they could continue to deliver more effective and appropriate services for communities:

Given our peoples clear expression of a desire for our people to be involved integrally in the services and the supports that are provided to our community, it goes to supporting the capacity of organisations to deliver those aspirations...No-one is going to deny that systems and processes cannot always be adhered to the maximum extent possible; however, if community organisations were supported to be able to build that capacity, that would provide a much higher level of comfort for our communities going forward. It should not be about penalising organisations that historically have been neglected in terms of funding and support; it should be about turning the relationship around and saying, 'What is it that you need to deliver to your communities and how can we help you build the scaffolding and struts in to underpin it?'<sup>49</sup>

2.48 NACCHO questioned a process which did not appear to take into account the evidence of the success of Aboriginal Community Controlled Health Organisations:

The tendering process particularly the selection criteria surrounding ability to demonstrate outcomes for Aboriginal and Torres Strait Islander people is in question given the success that Aboriginal Community Controlled Health Organisations have been able to produce through evidenced-based NACCHO Report Cards on direct contribution towards Closing the Gap targets of 66% reduction in Child Mortality rates and 33% increase in Life Expectancy rates.<sup>50</sup>

2.49 The CLC was also concerned that there may be a number of successful organisations with 'no expertise in delivering services to Aboriginal people'.<sup>51</sup>

2.50 In response to these concerns, the minister reported that 46 per cent of funded organisations were Indigenous and 55 per cent of IAS funding is going to Indigenous organisations.<sup>52</sup>

2.51 Prior to this announcement of the final figures, the minister provided comparative figures indicating that under previous arrangements, as at December 2014, fewer Aboriginal organisations were funded (around 30 per cent). In addition, the minister acknowledged that 'non-Indigenous organisations such as universities, schools, pre-schools and large mainstream employers have always been an important part of the Indigenous service delivery sector'.<sup>53</sup>

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49 *Committee Hansard*, 29 June 2015, p. 38.

50 *Submission 10*, p. 5.

51 *Submission 65*, p. 12.

52 Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, 'IAS grant round investment totals \$1 billion', Media release, 27 May 2015.

53 Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, 'Minister Scullion: Greens not telling whole story on IAS funding', Media release, 5 May 2015.

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***Lack of clarity regarding spatial distribution of resources***

2.52 The submission by Australians for Native Title and Reconciliation (ANTaR) also commented on the lack of engagement in determining the services required by a community and the limitations of competitive tendering in performing this function:

ANTaR is concerned about the extent of the process used to establish community need, particularly the extent to which Aboriginal and Torres Strait Islander people were engaged in establishing need, including any unfilled services gaps or duplication.

While ANTaR notes that there is also a 'demand driven' and 'ad hoc' funding process alongside the IAS competitive tendering process, it is nonetheless difficult to see how a competitive tendering process is able to meet community need in a targeted and appropriate manner.<sup>54</sup>

2.53 ANTaR noted that PM&C had prepared regional profiles without appropriate consultation with local communities:

[Detailing] what services were provided for in each region, including what their needs were, what was currently funded and where the gaps were at the regional level.

ANTaR is concerned that there doesn't appear to have been a structured approach to engaging with communities in each region on their particular needs or whether they felt there were needs that are unmet.<sup>55</sup>

2.54 PM&C explained to the committee how the spatial distribution of demand was determined and resources distributed to reflect that demand:

In terms of the grant funding round, we did a service print for each of our areas, and that was based on current service delivery, noting that...it was difficult to get a complete picture of Indigenous-specific funding across the country, across the myriad programs that existed before. We took as much information as we could from the agencies that logged in to PM&C and we did a service print for each of the regions. That was a core document that we did in terms of the grant funding round...In terms of the funding round, we had assessment panels that did each application. Concurrently, we had regional assessment teams set up as well. Every application for a region was looked at in the region in which it impacted as well. All of that information then went to our governance forum, which made recommendations to the minister.<sup>56</sup>

2.55 PM&C also spoke about the development of regional profiles to assist with the assessment of applications:

...we also did profiles of each region in terms of demographics and population and various indicators of disadvantage so that when people were

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54 *Submission 80*, p. 5.

55 *Submission 80*, p. 5.

56 Ms Susan Black, First Assistant Secretary, PM&C, *Proof Committee Hansard*, 1 March 2016, p. 12.

assessing the applications they knew not only the number of Indigenous people living in that particular location and the proportion of the population but also what were particular issues in those locations.<sup>57</sup>

2.56 In addition, at the conclusion of the funding round PM&C indicated:

There was a process whereby once all the recommendations had been made and we had an initial set of recommended projects, we cut that by location and compared that sort of information to see whether some adjustments were warranted across the country and between projects. Some further advice to the minister came out of that final adjustment process.<sup>58</sup>

### ***Incorporation requirement***

2.57 The IAS Guidelines state that organisations receiving more than \$500,000 of IAS funding in a particular year are required to incorporate under Commonwealth legislation.<sup>59</sup> The committee received evidence suggesting that this requirement would be time consuming and expensive for some Indigenous organisations. For example, Ms Briggs, NACCHO, told the committee:

That particular guideline...is not well accepted amongst [NACCHO members] for a couple of reasons: (1) the cost changes in going from one act to another, depending on the scale, size and capability within the organisation to do that; and (2) you have to rely on going to a special AGM to ensure that your members are going to pass that in the first place. So it is quite an onerous process that you might not be able to achieve, depending on the grant. I think what a few of our member services tried to do then to ensure that they would not be put in such a situation was they would apply underneath the threshold of the \$500,000.<sup>60</sup>

2.58 Mr Gooda reported that this requirement had made some representatives of the Indigenous community feel that Indigenous organisations are being treated differently to non-Indigenous organisations applying for IAS funding:

The first problem is that Aboriginal organisations are treated differently. I think that the limit is \$500,000 worth of funding. Once you get to \$500,000 worth of funding, if you are non-Indigenous organisation, you have to incorporate with [the Australian Securities and Investment Commission (ASIC)]. If you are an Aboriginal organisation, you have to incorporate under the ORIC [Office of the Registrar of Indigenous Corporations] legislation. People just see that as limiting our choice. Why would you have it if we are all going to be treated the same? I think there could be some implications in the Racial Discrimination Act.<sup>61</sup>

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57 Ms Elizabeth Hefren-Webb, First Assistant Secretary, Schools, Information and Evaluation, PM&C, *Proof Committee Hansard*, 1 March 2016, p. 12.

58 Ms Hefren-Webb, PM&C, *Proof Committee Hansard*, 1 March 2016, p. 12.

59 These requirements are outlined in chapter 1.

60 *Committee Hansard*, 29 June 2015, p. 24.

61 *Committee Hansard*, 29 June 2015, p. 9. See also Mr Rod Little, National Congress, *Committee Hansard*, 29 June 2015, pp 41-42.

2.59 Ms Collins, Deputy Chairperson, National Aboriginal and Torres Strait Islander Legal Services (NATSILS) and Chief Executive Officer, APO NT, explained another difficulty with the requirement:

They need to realise that [the] IAS is not the only organisation that funds them. For example, at [North Australian Aboriginal Justice Agency (NAAJA)] we are registered under ASIC. In our funding agreement with IAS it says, 'You must be registered under ORIC, or, if you are registered under ASIC, you may be required to move across to ORIC'. We were asking, why? We have great governance structures. We are low risk. So why is it essential for people to move across to ORIC? They are forcing people to move across to another organisation, which is a huge ask. You have to change your constitution, you have to change your structures, you have to change a lot of things—when these organisations are running effectively. I could understand it if some organisations were not running at a good governance level. I understand that. But what they have done here is really dictate who Aboriginal organisations need to be registered under.<sup>62</sup>

2.60 Ms Collins highlighted that this IAS stipulation could lead to conflict and inconsistency with the funding agreements some organisations have with other departments, which may have different incorporation requirements.<sup>63</sup>

2.61 Mr Rod Little, Director, National Congress, was concerned that the IAS incorporation stipulation could increase the reporting burden on some organisations:

On top of [the IAS requirements], not only do you have ORIC's annual reporting requirements but, if you are receiving funding from a state or a territory, there is additional funding reporting that you are going to be required to do. As I said, the organisations source funding to develop their applications, but they also source funding to produce their reporting requirements. ORIC is one of those that requires a lot of reporting.<sup>64</sup>

2.62 The requirement to incorporate was clarified at the hearing by PM&C:

Effectively the requirement is that if an organisation is an Aboriginal organisation that is currently incorporated under ASIC or ORIC then it retains whatever kind of incorporation it has. If it is a non-Indigenous organisation and it is not incorporated under ASIC it is required to incorporate under ASIC. If it is an Indigenous organisation that is not incorporated currently under ASIC or ORIC it is required to [incorporate as required under the IAS] or it can apply for an exemption.<sup>65</sup>

2.63 Ms Carroll, PM&C, commented that the Department was aware there was some confusion on this issue following public statements made by the minister. She

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62 *Committee Hansard*, 29 June 2015, p. 30.

63 *Committee Hansard*, 29 June 2015, p. 30.

64 *Committee Hansard*, 29 June 2015, pp 41-42.

65 Ms Carroll, PM&C, *Committee Hansard*, 29 June 2015, p. 60.

added that the Department has taken steps to clarify this with the minister and relevant organisations.<sup>66</sup>

2.64 PM&C reported to the committee that, as at 26 June 2015, 54 organisations will be required to transfer their incorporation status. Nine of these are non-Indigenous organisations that will be required to transfer to the *Corporations Act 2001*; 35 are Indigenous organisations that would be required to transfer from state and territory legislation to the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.<sup>67</sup>

## **Suitability of PM&C as a service delivery agency**

### ***Effectiveness of the regional office network***

2.65 Evidence to the committee indicated that although the officers in the PM&C regional office network were helpful, they too were constrained by the lack of information from Canberra PM&C and conflicting information was provided to applicants by the regional and national offices.

2.66 Literacy for Life spoke about the interaction they had with their regional office:

The Foundation was very satisfied with the way that the Dubbo Office of PM&C dealt with us in the period prior to us making our submission, and in the period since the results were announced. The staff have been very helpful and very professional. It was nevertheless a problem that staff themselves had very little information initially, and everybody was playing catch-up as the time for submissions got closer.<sup>68</sup>

2.67 Ms Seranie Gamble, Outreach Project Manager, Northern Territory Legal Aid Commission, spoke of conflicting information provided to her by the regional and national offices regarding submitting a demand-driven application.<sup>69</sup>

2.68 PM&C regional offices appeared to have little influence in decision-making. One example which illustrated this was provided by Mr Matt Fawkner, Principal Legal Officer, Katherine Women's Information and Legal Service. Mr Fawkner spoke about his proposal for a domestic violence duty lawyer service. The proposal was supported by the local magistrate and police superintendent, and Mr Fawkner had canvassed the idea at a meeting of a local reference group, which included PM&C's Katherine representative:

[The Katherine PM&C representative] said, 'Come and see me. I think you should put a demand driven application in. I will support it. This is a great idea.' I had the support of the whole [local reference group] meeting. So I put it in and I did not hear much. I contacted them every now and then to

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66 *Committee Hansard*, 29 June 2015, p. 60.

67 Mrs Marie Taylor, First Assistant Secretary, Housing, Land and Community Capability Division, Indigenous Affairs Group, PM&C, *Committee Hansard*, 29 June 2015, p. 61.

68 *Submission 26*, p. 1. See also Victorian Aboriginal Child Care Agency, *Submission 45*, p. 7.

69 *Proof Committee Hansard*, 16 February 2016, p. 23.

find out how it is going. [The PM&C representative] went through it at the local level and ticked it off: yes. When it came to Darwin, they ticked it off. It went to Canberra, and it stalled. I did not know what was going on.<sup>70</sup>

2.69 Mr Fawkner lodged the application for demand-driven funding in July 2015 and did not hear any response until December 2015, when he was informed that the application was unsuccessful.<sup>71</sup> Mr Fawkner explained the reasons given for the application not being successful:

The key elements are: it did not represent value for money; although it recognised the potential need, it failed; and it did not align with the Commonwealth's broader policy direction.<sup>72</sup>

2.70 Mr Fawkner described a subsequent meeting with PM&C's Katherine representative to discuss the unsuccessful application:

I said to him, 'What happened?' Words cannot explain his dismay, frustration and disappointment at this response. He had one comment to make during this application process, and this was early on. He said: 'There are a couple of items in your budget that I just query. I was never given the opportunity to explain them and they were not major.' He said nothing more than that. That was the only comment he ever made about it...<sup>73</sup>

***Loss of specialist expertise arising from transfer of programs from line agency to central agency***

2.71 Along with the confusion the transfer of programs to PM&C has caused, witnesses highlighted not only the loss of expertise but the relationships built up with contact officers in line departments.<sup>74</sup> Mr David Jan, Manager of Policy Development and Corporate Services, Local Government Association of the Northern Territory, told the committee of a general perception that PM&C officers assessing the programs did not have the requisite knowledge and experience.<sup>75</sup> Mr Robert Dalton, Policy and Research Adviser, Northern Land Council, spoke about the decisions around land and sea rangers and argued that the loss of expertise in the decision making has resulted in adverse outcomes :

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70 *Proof Committee Hansard*, 16 February 2016, p. 32.

71 *Proof Committee Hansard*, 16 February 2016, p. 32.

72 *Proof Committee Hansard*, 16 February 2016, p. 32.

73 *Proof Committee Hansard*, 16 February 2016, p. 32.

74 See, for example, Mr Robert Dalton, Policy and Research Adviser, Northern Land Council, *Proof Committee Hansard*, 16 February 2016, pp 4, 10. Ms Priscilla Collins, Chief Executive Officer, Aboriginal Peak Organisations of the Northern Territory, *Proof Committee Hansard*, 16 February 2016, p. 8; Mr Matt Fawkner, Principal Legal Officer, Katherine Women's Information and Legal Service, *Proof Committee Hansard*, 16 February 2016, p. 29; Mr Graham Dowling, Interim Chairman, Combined Aboriginal Organisations of Central Australia, *Proof Committee Hansard*, 16 February 2016, p. 36; Charles Darwin University, *Submission 55*, pp 3-4; North Australian Indigenous Land and Sea Management Alliance, *Submission 59*, pp 9,12; Aboriginal Health and Medical Research Council of NSW, *Submission 12*, p. 5.

75 *Proof Committee Hansard* 16 February 2016, p. 43.

The Northern Land Council, and other organisations involved in the field of land management, such as the North Australian Indigenous Land and Sea Management Alliance, more colloquially known as NAILSMA, have long retained concerns that IAS funding decisions for technical and specialist-type projects have been removed from the line agencies that actually feature significant expertise in their area. The decision making process that handed power to the Department of Prime Minister and Cabinet may, in fact, have led to staff making decisions in areas that they may, at best, be inexperienced in and, at worst, unqualified to be making decisions on.<sup>76</sup>

2.72 Save the Children Australia highlighted that the confusion and concern regarding the devolution of 150 programs was compounded by machinery of government changes which meant that 'in many cases local departmental contacts and key administrative arrangements had changed'. They argued that establishing new organisational structures and decision making processes before a major tender process would have been preferable.<sup>77</sup>

2.73 When questioned about the transition to a service delivery agency and the loss of expertise and relationships in line agencies, PM&C responded:

[I]s PM&C capable of walking and chewing gum at the same time? Yes, I believe it is. We have done a lot of work to integrate the program management and delivery functions of Indigenous Affairs into PM&C. Many people at the most basic level of our corporate services have done placements out on the ground to understand the nature of what it is like to be a government business manager or an Indigenous engagement officer out in remote Australia. Some people working in back function actually used to work in Indigenous Affairs, so we have moved some people around. At the level of policy, we are participating in deliberations of policymaking across government. We have a standing item with the heads of department—the secretaries have a standing item on Indigenous Affairs, so we have the opportunity to interact with all the agencies. As far as skills go, we inherited all the people working on Indigenous-specific work in all of the departments. Those people maintain their links to those departments, and we encourage that as part of our work.<sup>78</sup>

2.74 PM&C addressed criticisms of its ability to take over particular policy areas:

[O]n the criticism that Health—which is in the building next door to where we work in Woden—is divorced, we have alcohol and other drugs and related programs in PM&C, and we work very closely with Health. As a central coordinating agency, we also have the power in PM&C to engage

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76 *Proof Committee Hansard*, 16 February 2016, pp 4, 10, 13. See also Dr David Cooper, Manager, Research Advocacy and Policy, Aboriginal Medical Services Alliance Northern Territory, *Proof Committee Hansard*, 16 February 2016, pp 4-5; Ms Priscilla Collins, Chief Executive Officer, Aboriginal Peak Organisations of the Northern Territory, *Proof Committee Hansard*, 16 February 2016, pp 5, 8.

77 *Submission 41*, pp 4-5.

78 Mr Andrew Tongue, Associate Secretary, Indigenous Affairs, PM&C, *Proof Committee Hansard*, 1 March 2016, p. 14.

with [our] colleagues in Health at that high policy level. There is no perfect way of building government, but I would argue that it is good for PM&C to walk on the wild side with those of us in Indigenous Affairs and get out on the ground and get involved in service delivery. Colleagues in the department are doing that. It is good for Indigenous Affairs that we have a seat at the centre of government to engage in the policymaking process in a way that, in my experience, Indigenous Affairs has not done previously.<sup>79</sup>

#### 2.75 PM&C concluded:

The downside of a big transition is just the change of the big transition. Our skills out in the regions—many of the people are the same people that would have been working for [the former Department of Families, Housing, Community Services and Indigenous Affairs] a few years ago. We have also had the opportunity to bring new skills in. Is that process completed? No, I do not think it is. In a sense, it should never be completed. If we challenge ourselves about being the best we can be in this area, that process will never be complete. Some stakeholders, I think, are unhappy because we have just upset some of the relationships that they had with people in this transition.<sup>80</sup>

### **Distribution of programs across portfolios**

2.76 The transition to the IAS occurred against a backdrop of machinery of government changes that centralised Indigenous programs under PM&C. However, a few programs have remained in the Departments of Health and Education, as well as the Attorney-General's Department, which will be discussed in turn.

#### ***Department of Health***

2.77 Some Indigenous programs remain with the Department of Health following the transition to IAS. Ms Briggs, NACCHO, indicated that this means her organisation is negotiating both the IAS and the Department of Health grants process concurrently. Ms Briggs explained this will be a challenging process, should programs remain split between portfolios:

The doubling up of trying to put forward better ways and better mechanisms can be challenging. [It is difficult for health providers] to separate social and emotional wellbeing [programs and] drug and alcohol services [funded under one department] from clinical practice [funded by another]. When we are delivering to the person that is walking in the door, it is not done in a piecemeal way. For PM&C, trying to understand the model can be difficult, if they do not know what that model looks like and how it all comes together. I think that in itself, in terms of assessment, can be challenging for the outcome.<sup>81</sup>

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79 Mr Tongue, PM&C, *Proof Committee Hansard*, 1 March 2016, pp 14-15.

80 Mr Tongue, PM&C, *Proof Committee Hansard*, 1 March 2016, p. 15.

81 *Committee Hansard*, 29 June 2015, p. 21.

2.78 Ms Briggs stressed the need for a single funding agreement, which would encourage collaboration and learning between departments, and make service provision more effective:

I would say though, if we had a single funding agreement, that would give us the opportunity, as part of the Indigenous Australia health program, for PM&C and the Department of Health to come together—and also to learn some of the measures that our sector has done in terms of how you measure quality outcome of a person. I think there is a lot of value that PM&C could learn from Health, because we have been doing it for such a long time.<sup>82</sup>

2.79 Ms Carroll, PM&C, summarised the rationale for the machinery of government changes which left some programs with the Department of Health:

Obviously, the government had made a commitment that it was going to bring the different elements together, and it was about the Indigenous specific funding. So every department should have activities within broader mainstream programs that still go to assisting Aboriginal and Torres Strait Islander people, and some of that might be around particular activities, but they will be part of a broader mainstream program. The key area that did not come into the Department of the Prime Minister and Cabinet was health, where the vast majority of that funding stayed with the Department of Health. The rationale for that was the links between health in particular and the mainstream health system and the importance of maintaining those links. So the government made a decision that, because of the embedded nature, it was not going to bring the Indigenous health components across. Primarily, there is a little bit in Attorney-General's, but, apart from that, most of what would be classified as Indigenous specific funding came into the Department of the Prime Minister and Cabinet. That was the framework and the rationale behind it.<sup>83</sup>

2.80 Ms Caroline Edwards, First Assistant Secretary, PM&C, highlighted the benefits of bringing some programs together into PM&C, while leaving others with the Department of Health:

[T]hat is providing some great streamlining and accessibility. We are much closer to the ground with [the Opal petrol sniffing initiative] and youth diversion [programs]...in the same place. Yes, we accept there are some instances where it is causing people to be inconvenienced and we are working hard to try to reduce any red tape increase. But there are also real benefits for having those particular elements of Health over with the rest of our community safety agenda.<sup>84</sup>

2.81 Ms Edwards also indicated that the department is working towards a single funding agreement in consultation with the Department of Health.<sup>85</sup>

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82 *Committee Hansard*, 29 June 2015, p. 22.

83 *Committee Hansard*, 29 June 2015, p. 49.

84 *Committee Hansard*, 29 June 2015, p. 50.

85 *Committee Hansard*, 29 June 2015, p. 49.

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### *Department of Education*

2.82 The committee heard that the process for transferring programs from departments to PM&C did not appear to be well coordinated. For example, Universities Australia told the committee that most of its member organisations were caught up in the transfer of programs from the Department of Education to PM&C, as three Indigenous-specific programs were transferred to the IAS at a time when the sector was considering how best to implement the recommendations from the 2012 review of higher education access and outcomes.<sup>86</sup>

2.83 Universities Australia indicated that the transfer of these programs to the IAS before the sector had responded to the 2012 review recommendations had:

...resulted in confusion and concern about the strategic direction for the sector in playing its part in closing the gap.<sup>87</sup>

2.84 In addition, there was concern expressed that tertiary funding programs would be covered under the IAS priority area regarding 'children and schooling', which is predominantly focused on schools and not higher education. Professor Mark Rose, member, Universities Australia explained:

One of the problems, I think, is the fact that, in the government's three strategies - kids into schools, adults into jobs and safe communities - and then extrapolated to the five [IAS funding streams], higher education was not there. We were invisible and mute in the whole process, and that delivers a grave concern to us who have worked in this sector for a very long time and whose sector is filled with our kids and our grandkids. So, it is not just an artificial sort of view of this; this is our families' lives, at the end of this. I cannot understand why higher education, which is a strategic tool for closing the gap, was ignored. It confuses me.<sup>88</sup>

2.85 When asking government about this, Professor Peter Buckskin, Chair, National Aboriginal and Torres Strait Islander Higher Education Consortium, indicated the reply was that it was a matter of machinery of government changes.<sup>89</sup> Professor Buckskin confirmed that funding for the Indigenous Tutorial Assistance Scheme (ITAS) is currently quarantined<sup>90</sup> but Mr Mark Warburton, Principal Analyst, Universities Australia indicated that there is no clarity around what occurs next.<sup>91</sup>

2.86 PM&C responded that universities were consulted before the IAS grant application process opened, and that the sector was advised that aspects of their

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86 Ms Anne-Marie Lansdown, Universities Australia, *Committee Hansard*, 29 June 2015, p. 11. Ms Lansdown was referring to the *Review of Higher Education Access and Outcomes for Aboriginal and Torres Strait Islander People* (July 2012).

87 Ms Anne-Marie Lansdown, Universities Australia, *Committee Hansard*, 29 June 2015, p. 11.

88 *Committee Hansard*, 29 June 2015, p. 12.

89 *Committee Hansard*, 29 June 2015, p. 12.

90 *Committee Hansard*, 29 June 2015, p. 12.

91 *Committee Hansard*, 29 June 2015, p. 16.

funding were included in the IAS process. However, PM&C admitted they could 'possibly have engaged a bit earlier'.<sup>92</sup> Ms Elizabeth Hefren-Webb, First Assistant Secretary, Schools, Information and Evaluation Division, PM&C, commented that:

I think there had been general discussions with universities and university peak bodies. But final confirmation about the inclusion of that funding in the round was pretty much just before the opening of the round. So I think that is a legitimate criticism and we have taken that on board.<sup>93</sup>

### ***Attorney-General's Department***

2.87 The transfer of programs between the Attorney-General's Department to PM&C appeared to be an area of particular confusion with conflicting information being provided to organisations. For example, Ms Collins, NATSILS and APO NT, told the committee:

[Aboriginal and Torres Strait Islander legal services] were funded under the Attorney-General's Department. We were originally funded under two buckets: one was for operational and one was for advocacy. Then, over the last three-year contract, they combined the two buckets of money together, so the advocacy and the operational bucket came under the one funding agreement. Within the Northern Territory, we were then funded when they put the intervention in place in the Territory, so we were funded under the Northern Territory National Emergency Response, which they now call Stronger Futures. Those funds were originally managed by the Attorney-General's Department. We were then informed that the Stronger Futures funding was now being moved to PM&C, and we had to apply for the funding through the IAS.<sup>94</sup>

2.88 Ms Collins confirmed that NATSILS has now been advised their funding for their operational budget and for programs they deliver will now come from different departments:

...for the Aboriginal legal services and also for NATSILS, the peak body, that operational funding comes from the Attorney-General's Department. What is funded under the Indigenous Advancement Strategy is for other programs outside of the operational contract, such as Stronger Futures.<sup>95</sup>

2.89 Ms Suzan Cox, Director, Northern Territory Legal Aid Commission, argued for all Commonwealth legal service program funding and management to be with one department (the Attorney-General's Department) and be administered on a five year cycle to enable better planning and more effective service delivery.<sup>96</sup> Ms Christina

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92 Ms Hefren-Webb, PM&C, *Committee Hansard*, 29 June 2015, p. 46.

93 *Committee Hansard*, 29 June 2015, p. 47.

94 *Committee Hansard*, 29 June 2015, p. 28.

95 *Committee Hansard*, 29 June 2015, p. 28. Note: Under IAS, 12 months funding for Stronger Futures was received and under the Attorney-General's Department five-year funding for the delivery of Aboriginal legal services has been received.

96 *Proof Committee Hansard*, 16 February 2016, p. 20.

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Davidson, Chief Executive Officer, Association of Northern Kimberley and Arnhem Aboriginal Artists spoke about the confusion between the Attorney-General's Department and PM&C regarding arts funding.<sup>97</sup>

2.90 When asked about this confusion, particularly in relation to funding for Aboriginal legal services, PM&C replied:

It is a complicated situation, but we are pretty much on the same page about what the situation is. Aboriginal legal services, by and large, are funded out of the Attorney-General's Department. Prior to the election there was an announcement that there would be a cut to that program. That was across the whole of those programs. Subsequently, after the election, a small area of those legal services came to PM&C—the family violence prevention legal services; a small program called the Indigenous women's program; and a program called supplementary legal assistance, which was part of the Stronger Futures arrangements, but not payments that went to the Northern Territory like most national partnerships ones; ones that were always paid by the Commonwealth. Those three bits came over to PM&C together with their share of those cuts...[So] the situation remains that the vast majority of funding to provide legal services is through the Attorney-General's Department, including the funding to the peak body, which is now being provided by Attorney-General's Department, and the core funding.<sup>98</sup>

2.91 PM&C added that they were working with the Attorney-General's Department to ensure that funding for smaller programs, including some highlighted by Ms Collins, was maintained:

Generally speaking the family violence prevention legal services would have been provided maintained funding. There have been some on and offs, small amounts of expansions and change of providers, but pretty much there is the same level of funding as previously. For the Indigenous women's program, which was a very small program of about \$1 million I think for the whole country, and the supplementary legal assistance, which was in the Territory only arising out of Stronger Futures, all of the providers who previously had been receiving those moneys have been offered a 12-month extension of that funding...They were all provided effectively the same as they had last year...<sup>99</sup>

2.92 PM&C acknowledged that there was concern about the short duration of funding:

It is because we, like the committee and Ms Collins, are looking at how that works, having moved those small amounts over to PM&C, when the bulk of the funding is with the [Attorney-General's Department (AGD)]. We are talking to AGD about how, after the current year's funding, we can make sure that is streamlined and put back together. That is our aim: to make it a

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97 *Proof Committee Hansard*, 16 February 2016, p. 52.

98 Ms Caroline Edwards, First Assistant Secretary, PM&C, *Committee Hansard*, 29 June 2015, p. 48.

99 Ms Edwards, PM&C, *Committee Hansard*, 29 June 2015, p. 48.

single source. So the one year's funding is to make sure there is no loss of funding in the meantime while these discussions happen. I know it is horrendously complicated.<sup>100</sup>

2.93 The following chapter will discuss the information provided to the committee about the IAS process, including information about IAS given to potential applicants by PM&C. It will also look at the department's ongoing work to refine and review the IAS framework, improve the competitive grants round processes, and work to consult more effectively with stakeholders, including Indigenous communities and organisations.

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100 Ms Edwards, PM&C, *Proof Committee Hansard*, 29 June 2015, p. 48.