Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 23-27 February 2015

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet
Outcome/Program: Outcome 2: Indigenous
Topic: Indigenous Advancement Strategy

Senator: Senator the Hon Jan McLucas
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Type of question: Written
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Number of pages: 11

Question:

1. Provide a list of successful applicants and projects under the Indigenous Advancement Strategy by stream.
2. How many organisations had funding contracts with the Department of Prime Minister and Cabinet prior to the implementation of the Indigenous Advancement Strategy? Provide a list of all contracted organisations and the funding amount for the previous financial year for each organisation.
3. How many of the existing service providers had their contracts extended for six months when the Indigenous Advancement Strategy funding announcements were delayed in November 2014? Provide a list of all organisations and the amount of funding each organisation received under the contract extension.
4. What was the total value of existing contracts with service providers for each year over the past two financial years?
5. How many of the existing service providers had their contracts extended for 12 months when the Indigenous Advancement Strategy funding announcements were delayed in November 2014? Provide a list of all organisations and the amount of funding each organisation received under the contract extension.
6. How many organisations with existing contracts – prior to the announcement of the Indigenous Advancement Strategy outcomes – did not receive funding under the Indigenous Advancement Strategy? Provide a list of all organisations with contract extensions who did not receive funding under the Indigenous Advancement Strategy.
7. How many 'non-compliant' applications were successful in attracting funding under the Indigenous Advancement Strategy?
8. How many successful applicants will be required to register under ORIC?
9. How many of the successful applicants are Indigenous organisations?
10. Did the Minister accept all department recommendations in determining the successful applicants under the Indigenous Advancement Strategy? If not, has the Minister written to the Finance Minister to advise of his reasons?
11. Did the Minister approve any applications that were not put forward as recommendations from the department? If so, how many?

12. How many organisations were awarded three year contracts?
13. How many organisations were awarded two year contracts?
14. How many organisations were awarded 12 or 18 month contracts?
15. How many organisations with existing contracts did not submit an application for the Indigenous Advancement Strategy? Provide a list of organisations and the services and programs for which they were contracted to provide.
    a. When did the Department become aware that these organisations had not applied for funding?
    b. Were any applications submitted by organisations after this date?
    c. Did the department make contact with these organisations about submitting an application? If not, why not?
16. Is there an internal review process being conducted on the process of the Indigenous Advancement Strategy?
17. Has the department formalised a process for identifying service gaps now that the Indigenous Advancement Strategy outcomes have been finalised?
    a. What is this process? How will service gaps be identified?
    b. How will service gaps be filled? Will it be a demand driven application process?
    c. Has the analysis work referred to on p.44 of the transcript been undertaken in respect of filling service gaps left by organisations who did not apply through the Indigenous Advancement Strategy? If not, why not?
18. How was the $860 million funding amount for this round of the Indigenous Advancement Strategy arrived at?
    a. Describe the process through which this figure was determined.
    b. Was this a Ministerial determination?
    c. On what date was this figure agreed upon?
19. Will there be another round of funding under the Indigenous Advancement Strategy?
20. How much of the uncommitted funding from the advertised pool of $2.3 billion is available after the determination of this funding round?
21. Under the Indigenous Advancement Strategy, $2.5 billion is already committed. Provide a list of all services or programs which are recipients of this committed funding. Provide funding amounts for each program or service as well as contract lengths.
22. Is there a feedback process for unsuccessful applicants? What is this process? Is it open to all unsuccessful applicants or only those who were not successful with the whole of their application?
23. What is the process when an organisation has received inadequate funding to continue to deliver a service, and chooses not to take up the funding offer? Does this funding go back into the Indigenous Advancement Strategy?
24. What is the process where an organisation's core funding from another department has not been successfully tendered, adversely affecting the capacity of an organisation to deliver services under the Indigenous Advancement Strategy?
    a. Who is the authorised decision maker in this instance – the Minister or a department official?
    b. Can the Minister or the Department withdraw an offer of funding under the Indigenous Advancement Strategy if an organisation's viability has been adversely affected by another funding process?
25. When will negotiations be finalised and contracts completed for successful organisations?
26. Will Indigenous organisations receiving more than $500,000 per annum be required to have finalised registration under ORIC before the next financial year, when the funding

period will begin? If not, what is the process in terms of incorporation and registration under ORIC? Will an organisation receive funding before this process is finalised?

27.   How many exemptions for the ORIC requirement have been lodged? How many have been approved?
28.   How many organisations and projects were approved under the demand driven process of the Indigenous Advancement Strategy? Provide a list of approved applicants and projects with their respective funding amounts.
29.   What was the total approved funding under the demand driven process of the Indigenous Advancement Strategy?
30.   How many community operated hostels previously funded through Aboriginal Hostels Ltd received interim funding from the Department of Prime Minister and Cabinet? Provide a list of these hostels.
    a. How many of these hostels received funding under the Indigenous Advancement Strategy? Provide a list of these hostels.
    b. The Bunara Maya Hostel in Port Hedland issued a formal notice of closure after incurring a significant debt due to delays with the Indigenous Advancement Strategy. Why were interim funding arrangements not put in place earlier, instead of two months into the interim funding period?
31.   When did the Minister become aware of Aboriginal Hostels Ltd's decision to move away from the Corporate and Community Partnerships Program?
    a. Has the Minister had discussions with Aboriginal Hostel Ltd since he was made aware of this decision concerning the decision about community operated hostels?
    b. What is the outcome of these discussions?
32.   Did Aboriginal Hostels Ltd or the Department of Prime Minister and Cabinet notify community operated hostels funded through the AHL Corporate and Community Partnerships Program that they would be required to apply for funding under the Indigenous Advancement Strategy?
33.   On what date did the department notify Bloodwood Tree Association of receipt of their demand driven application for interim funding? Was this written or verbal notification?
34.   Did the department contact Bloodwood Tree Association in the six weeks between receiving and approving the organisation's interim funding for the Bunara Maya Hostel?

Answer:

1. The Department of the Prime Minister and Cabinet (PM&C) is entering a negotiation phase with organisations recommended for funding under the Indigenous Advancement Strategy (IAS) grant funding round to finalise their funding agreements. While negotiations are underway we cannot disclose details of specific funding amounts however the Minister for Indigenous Affairs, Senator the Hon Nigel Scullion, has released a list of organisations which were recommended in the round. This is available now at http://www.dpmc.gov.au/indigenous-affairs/grants-and-funding/funding-under-ias. Information on all grants funded by the Department (including contract term, organisation name and value of the contract) is available on the Department's website within 14 days of grant agreements taking effect. http://www.dpmc.gov.au/accountability/grants/index.cfm

2. In May 2014, prior to the opening of the IAS Grants Round, there were over 3,000 existing contracts providing funding for Indigenous activities. Information on all grants funded by the Department (including contract term, organisation name and value of the

contract) is available on the Department's website. http://www.dpmc.gov.au/accountability/grants/index.cfm

3. All grants funded by the Department (including contract term, organisation name and value of the contract) are available on the Department's website. http://www.dpmc.gov.au/accountability/grants/index.cfm

4. The machinery of government changes which saw Indigenous programmes transferred to the PM&C did not happen until part way through the 2013-14 financial year. Programmes were progressively transferred in throughout that year, so it is not possible to provide a definitive figure for 2013-14. In regard to the 2014-15 financial year, all grants funded by the Department (including contract term, organisation name and value of the contract) are available on the Department's website. http://www.dpmc.gov.au/accountability/grants/index.cfm

5. All grants funded by the Department (including contract variations, term, organisation name and value of the contract) are available on the Department's website. http://www.dpmc.gov.au/accountability/grants/index.cfm

6. There are 224 currently funded organisations that were not recommended for funding through this round, however some of these organisations were previously receiving one off funding. Applicants to the round would have a reasonable expectation that this information would not be published as it was not expressly outlined in the application kit or guidelines. Additionally, it is not normal practice to release this information:
    i. general guidance from Australian National Audit Office is that information on total applications and unsuccessful applications should be de-identified and aggregated when being published; and
    ii. the Commonwealth Grant Rules and Guidelines (CGRG) only require Departments to publish details of successful contracts, and only when finalised and executed.

7. The Indigenous Advancement Strategy (IAS) 2014 open grant round application kit outlined the requirements for submitting applications under the IAS grant round. Applications that were late and/or exceeded size limits were considered to be non-compliant. However the Department of the Prime Minister and Cabinet, as noted in the application kit, reserved the right to exercise discretion in the handling of applications in these circumstances. Consistent with this right of discretion, the Grant Selection Committee, the governance body for the round, made a determination to consider all applications received, in recognition that this was the first round in the IAS and many organisations that applied have never been required to apply for funding via a competitive grant process. As a result, all applications were provided due consideration, being assessed under the same process on their merit against the selection criteria. The assessment process also had regard for the regional need for that service and the value of the service offered. Organisations were recommended for funding based on assessment against the selection criteria, not the compliance or otherwise of the applications.

8. 56 of the recommended organisations are Indigenous organisations that will be required to transfer to the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

9. The Department's initial reporting of Indigenous organisations was based on self-identification by organisations in their applications as being incorporated under *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI). The Department also conducts an additional level of analysis, based on the Indigeneity requirement under Section 29-5 of CATSI. This analysis was only able to be finalised after the finalisation of the outcomes of the round. Based on this assessment, 438 of the recommended organisations, or 45 per cent of all recommended applicants, are Indigenous organisations.

10. The Minister did not accept all Department recommendations in determining the successful applicants under the IAS. The Minister is aware of his obligations and a report will be prepared for the Minister for Finance in line with the Commonwealth Grants Rules and Guidelines, Chapter 4.13 which requires Ministers to report annually to the Finance Minister by 31 March for the preceding calendar year.

11. Yes. Eight.

12. Contracts have not yet been awarded. This information will be provided to the Committee when it is available.

13. Contracts have not yet been awarded. This information will be provided to the Committee when it is available.

14. Contracts have not yet been awarded. This information will be provided to the Committee when it is available

15. PM&C has identified 1344 organisations which currently receive funding from PM&C that did not apply for funding in the 2014 IAS open grant round. Of these, around 86 per cent were not expected to apply, for a range of reasons including that their existing funding was for a one-off project, or their funding extended into the outyears. The remaining 14 per cent (188) did not apply in the open grant round. It is not common practice or appropriate for the Department to provide names of organisations in relation to a funding process in which they did not participate. All grants currently funded by the Department (including contract term, organisation name and value of the contract) are available on the Department's website. http://www.dpmc.gov.au/accountability/grants/index.cfm.
    a. Information regarding current funding was requested as part of the application process. It is standard operating procedure to check applications against information the Department currently holds on organisations including funding status. At the end of the process the Department undertook reconciliation against all currently funded organisations as part of our data integrity checking. At that point, the Department identified which currently funded organisations had not applied in the round.
    b. No.
    c. All providers with existing contracts at the time the round opened, received notification of the round. The Department's regional network staff are talking with both funded and non-funded organisations in their region as part of the regular business of the Department. The Assessment Management Office (responsible for managing the assessment of all applications) did not contact individual organisations which had not submitted an application.

16. The Department, as part of its regular business, will conduct an internal post implementation review of the IAS open grant round process.

17. The structure of the IAS, in conjunction with the Department's regional approach to programme management, ensures flexibility to address service delivery gaps if they are identified. PM&C will continue to work through any gaps which are identified, in consultation with providers and communities through our regional network.
    a. During the negotiation phase the Department's regional network will work with service providers and communities to identify and plan a response to any possible service delivery gaps that are identified.
    b. The IAS Guidelines allow a flexible approach to how services are procured. This includes through processes such as direct source, demand driven, ad hoc, and select tender. The method of procuring the service to fill an identified gap will depend on individual circumstances.
    c. The Department is still in a negotiation phase, working with service providers and communities. Through that process, analysis is occurring as to potential service gaps, and where necessary recommendations will be made to the Minister. Once all funding agreements have been executed the Department will undertake a broader analysis taking into account cross jurisdictional and programme requirements.

18. The total funding amount proposed for commitment through the funding round was determined through the assessment process of the funding round.
    a. Through the assessment phase of the funding round the Department determined recommended funding levels for providers based on a range of factors such as the type of project being delivered, value with money, location and proposed outcomes.
    b. The Minister for Indigenous Affairs was the delegate for the funding round.
    c. Final approval of the recommendations was received from the delegate on 3 March 2015.

19. The IAS Guidelines state that access to grant funding will be available through a variety of means – all aimed at achieving the priorities and outcomes of the strategy - and at various times through the year. These include open competitive grants rounds, targeted or restricted grant rounds, one off or ad hoc grants, direct grant allocation processes and demand driven activities for which applications may be submitted at any time.

20. At the time of the Additional Estimates hearing, the outcomes of the IAS open grant funding round had not yet been announced. The Department advised that, of the $4.9 billion allocated for the IAS, there was approximately $2 billion available for all grant funding over the forward estimates. On 4 March 2015, the Minister for Indigenous Affairs announced the outcomes of the IAS grant funding round, totalling approximately $860 million of potential funding commitments. The remaining $1.1 billion is available for funding via a range of mechanisms including future rounds, direct source funding and demand driven projects.

21. All grants funded by the Department (including contract term, organisation name and value of the contract) are available on the Department's website. http://www.dpmc.gov.au/accountability/grants/index.cfm. The following

provides information on total committed and uncommitted funds at an aggregate level and updates QON1543 tabled in February 2015. The information is current as at the end of February 2015. It does not include $860 million under the IAS grant funding round announced on 4 March 2015 as this is subject to negotiation.

(a) total funding on a year-by-year basis over the current forward estimates;
(b) committed funding on a year-by-year basis over the current forward estimates; and
(c) uncommitted funding on a year-by-year basis over the current forward estimates.

PM&C Outcome 2: Ordinary Annual Appropriations (i)	2014-15 ($m)	2015-16 ($m)	2016-17 ($m)	2017-18 ($m)	*Four Year Totals ($m)*
Programme 2.1: Jobs, Land and Economy					
(b) committed funding (ii)	513	491	480	466	*1,949*
(c) uncommitted funding	52	122	187	185	*546*
(a) JLE total funding	**565**	**613**	**667**	**651**	***2,495***
Programme 2.2: Children and Schooling					
(b) committed funding (ii)	210	84	63	62	*419*
(c) uncommitted funding	22	140	162	163	*487*
(a) C&S total funding	**231**	**224**	**225**	**226**	***906***
Programme 2.3: Safety and Wellbeing					
(b) committed funding (ii)	242	44	26	21	*333*
(c) uncommitted funding	11	218	242	258	*729*
(a) S&W total funding	**253**	**263**	**268**	**279**	***1,062***
Programme 2.4: Culture and Capability					
(b) committed funding (ii)	48	16	8	8	*79*
(c) uncommitted funding	1	36	44	41	*122*
(a) C&C total funding	**49**	**52**	**52**	**49**	***202***
Programme 2.5: Remote Australia Strategies					
(b) committed funding (ii)	77	18	11	8	*114*
(c) uncommitted funding	18	31	38	45	*132*
(a) RAS total funding	**95**	**49**	**50**	**52**	***247***
Indigenous Advancement Strategy					
(b) committed funding (ii)	1,090	652	588	564	*2,894*
(c) uncommitted funding	103	548	673	692	*2,017*
(a) total funding	**1,193**	**1,201**	**1,261**	**1,256**	***4,911***

(i) Total ordinary annual appropriation funding for IAS programmes as per PM&C Portfolio Additional Estimates Statements 2014-15.

(ii) Committed funding figures are updated from Question No. 1543 and include all commitments as at end February 2015.

22. All applicants have been offered the opportunity to seek feedback on their applications. Details on this process are available on the Department's website. Additionally, applicants were advised in writing about the process for accessing feedback.

23. The Department will continue to work closely with both the organisation and the community more broadly to ensure that where a solution cannot be found, and there is an identified need for the service, it will be procured using one of the methods available under the IAS Guidelines.

24. The Department through its negotiation phase will work with each organisation and the community more broadly to ensure the needs of the community are met. Each situation will be dealt with individually, addressing the specific details through negotiations and where warranted, conversations will be had with the organisation and other agencies.
   a. The decision maker will vary depending on specific decision required.
   b. An offer of funding can be withdrawn, when through negotiations it becomes clear that the organisation cannot deliver the outcomes required. Before this however the Department will have worked closely with the organisation to negotiate terms and conditions that meet the needs of the community and can be provided by the organisation. The primary focus of the round was to ensure ongoing effective front line services.

25. Agreements will be progressively executed as negotiations are finalised and they are returned by providers, with all agreements to be executed by 30 June 2015.

26. No. Organisations will have six months to comply with the requirements from the execution of the funding agreement. Extended transition periods can be granted to organisations who can demonstrate that they have made reasonable attempts to transfer their incorporation status, but are unable to meet this requirement at that time. The transfer of incorporation status to Office of the Registrar of Indigenous Corporations (ORIC) includes the membership agreeing to the transfer at an appropriate meeting, completing the application for registration form, developing a rule book and sending these to ORIC. There are some processes which will be required to transfer or terminate the incorporation status of the original legislation. ORIC provides support to Indigenous organisations transferring their incorporation status under the Corporations (Aboriginal and Torres Strait Islander) Act 2006. Pro bono legal advice can also be obtained through the ORIC LawHelp programme. Normal payments identified under the funding agreement will be made during the transition period.

27. Four organisations have applied for an exemption from the requirements. These applications were submitted prior to the completion of the IAS funding round. The organisations were advised that their applications for exemptions would not be considered until they are offered funding of $500,000 or more in a single year from the IAS. This minimises the administrative effort required to develop an exemption

application, and provides an opportunity for organisations to fully consider their application based on the actual funding that they receive from PM&C. Three of the four organisations that have submitted exemption applications have been recommended for IAS funding above the incorporation requirements threshold and are currently in funding agreement negotiations with the Department. During the negotiation process these organisations will be provided with the opportunity to review their applications for exemption in light of the actual grant funding that they have been offered. Once an organisation confirms that their application is complete the Department will commence assessment of the application.

28. As at end February 2015, 119 organisations had received funding outside of the round. This includes demand driven projects, ad hoc projects and projects funded through Native Title initiatives and Special appropriations. All grants funded by the Department (including contract term, organisation name and value of the contract) are available on the Department's website. http://www.dpmc.gov.au/accountability/grants/index.cfm.

29. All grants funded by the Department (including contract term, organisation name and value of the contract) are available on the Department's website. http://www.dpmc.gov.au/accountability/grants/index.cfm.

30. The response to question 30 is in QoN 76. Responses to questions 30 a and b are outlined below:

   a. Twenty-six former CCPP hostels have been approved to receive IAS funding from 1 July 2014:

Hostel	Organisation	Supported to receive interim funding in 2014/15	Supported in the IAS General Round post 30 June 2015
7 Mile Rehabilitation Centre	Ngnowar-Aerwah Aboriginal Corp	Yes	Yes
Milliya Rumurra	Milliya Rumurra Aboriginal Corporation	Yes	Yes
Dolly Garinyi	Council for Aboriginal Alcohol Program Services	Funding not requested	Yes
Forwaard	Foundation of Rehabilitation with Aboriginal Alochol Related Difficulties Aboriginal Corporation	Yes	Yes
CAAAPU	Central Australian Aboriginal Alcohol Programs Unit Aboriginal Corporation	Still under consideration	Yes
Gindaja Substance Misuse	Gindaja Treatment and Healing Aboriginal Corporation	Yes	Yes
Jesse Budby	Queensland Aboriginal and Torres Strait Islander Corporation for Alcohol and Drug Dependent Services	Yes	Yes
Benelong's Haven	Benelong's Haven Limited	Yes	Yes
Gu-Dgodah	Ngaimpe Aboriginal Corporation	Yes	Yes
The Glen	Ngaimpe Aboriginal Corporation	Yes	Yes
Namatjira Haven	Namatjira Haven Limited	Yes	Yes
Orana Haven	Orana Haven Aboriginal Corporation	Yes	Yes

Hostel	Organisation	Supported to receive interim funding in 2014/15	Supported in the IAS General Round post 30 June 2015
Galiamble	Ngwala Willumbong Cooperative Ltd	Yes	Yes
Winja Ulupna	Ngwala Willumbong Cooperative Ltd	Yes	Yes
Yitawudik (Percy Green)	Ngwala Willumbong Cooperative Ltd	Yes	Yes
Karalundi	Karalundi Aboriginal Education Community Inc	Yes	Yes
AFL Cape York House	AFL Cape York Ltd	Yes	Yes
Mookai Rosie Bi-Bayan	Mookai Rosie Bi-Bayan (Aboriginal and Torres Strait Islanders Corporation)	Yes	Yes
Bunura Maya	Bloodwood Tree Association Incorporated	Yes	No
CAPS Coolgardie	Christian Aboriginal Parent - directed School Inc	Yes	No
Clontarf Aboriginal College	Clontarf Aboriginal College	Yes	No
Wongutha CAPS	Wongutha Christian Aboriginal Parent-Directed Schools	Yes	No
Bowman Johnson	Murri Watch Aboriginal and Torres Strait Islander Corporation	Yes	No
Gamba Lodge	Murrumba Aboriginal Housing Company	Yes	No
Mayaroo	Mayaroo Incorporated (formally run by Black Creek Aboriginal Corporation)	Yes	No
Sheraton House	Ballina Centacare Accommodation Program	Yes	No

b. Funding to the 14 non-substance use hostels was provided by Aboriginal Hostels Limited (AHL) up until December 2014. Several of these hostels approached the Department in December 2014 seeking an extension of funding. The Department advised that they could apply for demand driven IAS funding and requested applications be submitted if required. Applications were assessed as quickly as possible and successful hostels notified as soon as a decision was made.

31. The Department understands the first formal advice to the Minister by AHL was on 13 March 2014.
    a. Yes.
    b. The Department understands that general operational discussions were held.

32. The Department is aware that AHL communicated with CCPP recipients.

33. The Department acknowledged receipt of the application by email to Mr Neville, Bloodwood Tree's CEO, on 19 January 2015.

34. Yes. The PM&C Acting Western Australia State Manager called Mr Neville on 18 February 2015 regarding the application.

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