

Submission by the Northern Territory Government to the  
Productivity Commission's Draft Report into expenditure in the area  
of children and family services in the Northern Territory.

## Background

- 1 The Northern Territory Government welcomes the Productivity Commission's Draft Report into Commonwealth and Northern Territory government expenditure in the area of children and family services in the Northern Territory relevant to the prevention of harm.
- 2 The Royal Commission into the Protection and Detention of Children in the Northern Territory (Royal Commission) recommended that the Productivity Commission undertake a review and audit of Commonwealth expenditure in the Northern Territory in this area. Although the Royal Commission recommendation for the Productivity Commission study focussed solely on Commonwealth expenditure, the Northern Territory Government has worked with the Productivity Commission to ensure that the study includes the full extent of Commonwealth and Northern Territory Government expenditure relating to the prevention of harm to children.
- 3 By analysing both Commonwealth and Northern Territory government expenditure, it is anticipated that coordination of funding and service integration for vulnerable children and families in the Northern Territory will lead to better outcomes for children in the Northern Territory.

## Executive Summary

- 4 The Northern Territory Government is supportive in principle of the draft findings and recommendations of the Productivity Commission's Draft Report, with further clarification of draft recommendation 9.2: Oversight of the Reforms.
- 5 The Northern Territory Government supports the incremental approach to implementing reforms outlined by the Productivity Commission, which acknowledges the history of reforms to children and family services in the Northern Territory; how these reforms have affected families and communities; and the complex policy environments in both child protection and Indigenous policy.
- 6 The Northern Territory Government is also supportive of the considered approach to presenting draft recommendations that 'build on existing institutional arrangements and, where possible, complement reform efforts already underway' (Productivity Commission Draft Report, page 26). Such an approach will ensure stability to the child and family sector, and continue to build on a number of reform initiatives that have been implemented by the Northern Territory Government.
- 7 As outlined in the Northern Territory Government's submission to the Productivity Commission's Issues Paper released in May 2019, *Safe, Thriving and Connected: Generational Change for Children and Families*, (Safe, Thriving and Connected) is the Northern Territory Government's response to the recommendations of the Royal Commission and the Northern Territory Government committed a further \$229.6 million over five years to implement this reform program.

- 8 While only 18 months into these reforms, there are promising signs that the public health approach the Northern Territory Government is taking to funding allocation across the range of children and family services is having an impact. The Northern Territory Government has seen a reduction in the demand for child protection services as a result of our investment in early intervention and prevention, a new approach to family support and our improvements to child protection processes and practices. The Northern Territory Government has also seen significantly more children in community supervision and fewer in detention.
- 9 These reforms are monitored through a range of governance structures implemented across Government, including the Children's Sub Committee of Cabinet, Children and Families Standing Committee and the Children and Families Tripartite Forum (Tripartite Forum).
- 10 Instrumental to the implementation of these reforms is the investment made in establishing the Reform Management Office to provide central oversight, coordination and monitoring of reforms across the Northern Territory Government.
- 11 Many of the Productivity Commission's draft recommendations build on the *Safe, Thriving and Connected* reforms progressed by the Northern Territory Government. These reforms aim for long-term generational change for vulnerable children and families and continued work and focus is required to continue to build on the reforms already underway.
- 12 The Productivity Commission's Draft Report emphasised the shared responsibility of Commonwealth and Northern Territory Government for vulnerable children and families in the Northern Territory, This highlights the need for greater coordination between governments in order to improve the outcomes for vulnerable children and families in the Northern Territory. The Northern Territory Government looks forward to working closely with the Commonwealth Government to improve the resourcing, coordination, oversight and evaluation of services of child and family services in the Northern Territory.
- 13 The Northern Territory Government requests that the title of the Final Report aligns with the scope of the joint study. The Draft Report is titled 'Expenditure on Children in the Northern Territory' which does not reflect the parameters of the expenditure interrogated, being children and family services relevant to the prevention of harm. The study excluded expenditure on primary services such as universal health and education services and funding of services through royalties and philanthropy (PC Report, page 57). The current title of the Draft Report may mislead and should reflect the terms of reference and true scope of the study. The Northern Territory Government proposes that the Final Report is titled 'Study into Commonwealth and Northern Territory Governments Expenditure in the Northern Territory in the area of children and family services relevant to the prevention of harm to children.'

- 14 This submission will respond to the four key areas of reform, being
- a. A cooperative approach to funding, underpinned by community plans
  - b. A longer-term, collaborative approach to contracting service providers
  - c. Better data at the community level
  - d. Stronger supporting institutions

## **A cooperative approach to funding, underpinned by community plans**

### **Coordinated funding underpinned by community needs and priorities**

#### ***Community Plans***

- 15 The Northern Territory Government is supportive of community plans that assist in coordinating funding decisions at a community level.
- 16 The Northern Territory Government and Aboriginal communities already work together to develop policies and practices for service delivery, including children and family services for vulnerable children.
- 17 The concept of community plans strongly aligns with the Northern Territory Government's Local Decision Making policy which supports and builds capacity in remote communities, homelands and town camps to support community aspirations and local delivery of government services. Local Decision Making provides a pathway for communities to have more control over their own affairs, including service delivery based on a community's aspirations and needs and is led by Northern Territory Government's Regional Network Group.
- 18 Local Decision Making is supported by the alignment of each Northern Territory Government Department moving toward the same regional boundaries. This process will be finalised by June 2020 and these regional boundaries align with those used by the Australian Bureau of Statistics (ABS). This will facilitate improved information and data sharing between the Northern Territory and Commonwealth Governments.
- 19 The future development of Regional Action Plans will provide for distinct boundaries using data and applying models across regional initiatives to ensure equitable funding and sustainable service providers while focused on community priorities. Regional Action Plans will coordinate and report against key local whole of government priorities.
- 20 Regional Children and Family Committees (RCFC's) are currently being implemented, coordinated by the Regional Network within the Department of Chief Minister with communities issues at the forefront. The RCFC will link into Children's Sub-Committee of Cabinet and Children and Families Standing Committee.
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- 21 The Northern Territory Government has consulted with the Tripartite Forum regarding their recommended role in overseeing community plans, and there was broad agreement for the Forum having oversight of the development of community plans.
- 22 Further work will be required with the Commonwealth Government and Tripartite Forum to support the successful implementation of community plans.

### ***Coordinated Funding Framework***

- 23 A key activity for the Tripartite Forum is to provide advice to the Commonwealth and Northern Territory Government on the development of the Coordinated Funding Framework recommended by the Royal Commission and supported in principle by the two Governments.
- 24 The need to develop the framework recognises that funding to support children and families in the Northern Territory has not previously been used as efficiently or effectively as it could be, and there is scope to increase and improve the impact from existing resource investment through improved coordination of planning and decision-making.
- 25 The Tripartite Forum is currently developing a concept paper for the framework that will outline the scope and approach to supporting the development of a more integrated service system and drive a greater return on investment. The advice of the Tripartite Forum will be considered by the Commonwealth and Northern Territory Governments alongside the outcomes of the Productivity Commission study.
- 26 The Northern Territory Government supports the development of the Coordinated Funding Framework.

### ***Children and Families Tripartite Forum***

- 27 The Northern Territory Government is supportive of the continued role of the Tripartite Forum providing strategic advice to Commonwealth and Northern Territory Governments.
- 28 Draft recommendation 6.1 in The Productivity Commission's Draft Report suggests that the Tripartite Forum should receive information, including community plans and summary of overall expenditure, to 'provide advice about funding arrangements for children and family services across the Northern Territory' (PC Draft Report, page 33). The Northern Territory Government is supportive in principle of the role of the Tripartite Forum, understanding the requirements of the Northern Territory Government to comply with the *Financial Management Act 1995*.
- 29 The Northern Territory Government established and continues to fund the Reform Management Office to provide secretariat support to the Tripartite Forum, including arranging meetings, developing policy positions and managing correspondence.

- 30 To ensure the ongoing effectiveness of the Tripartite Forum in line with the Productivity Commission's Draft Report, a review of the support mechanisms for the forum would be warranted and should include resourcing and staffing from the Commonwealth Government.

#### **Data on outcomes for children and families**

- 31 The Northern Territory Government in partnership with Menzies School of Health Research has released the Story of Our Children report <https://dcm.nt.gov.au/generational-change/story-of-our-children-and-young-people>. The Story includes baseline data against key indicators of child and young people wellbeing. It will lay the foundation for future planning and action to improve outcomes for children, young people and families. The Story of our Children is a publicly available resource for the whole community –government, non-government, communities and families.
- 32 The development of the report was overseen by an independent editorial committee comprised of academic experts and community leaders.

### **A longer-term, collaborative approach to contracting service providers**

#### **Increased certainty in funding and contracting processes**

- 33 The Northern Territory Government is supportive of providing increased certainty in funding longer service agreements to build stability and certainty in the sector which should lead to better outcomes for clients in the long-term. The Northern Territory Government recognises that greater funding certainty will enable service providers to engage in longer-term planning and investment, leading to staff retention, development of expertise, improved service quality and better value for the Territory.
- 34 The Northern Territory Government supports in-principle extended funding terms for service providers. Currently Territory Government service agreements where funding is provided to the same organisation for the same service on a recurrent basis are now mandated to be for a five-year funding term (unless there are extenuating circumstances). All new agreements are for five years, with existing agreements transitioning to the new five-year funding term if renewed following their expiry.
- 35 In recognition of the need to improve practices related to grants processes, the Northern Territory Government has introduced Grants NT. Grants NT is a secure online grant management system for the Northern Territory government grants. All current systems for managing grants are being transitioned to Grants NT which reduces the administrative burden on services providers and will support a greater ability to capture and monitor data consistently, including outcomes.

#### **Funding arrangements between the Commonwealth and Northern Territory Government**

- 36 The Northern Territory Government would welcome long term intergovernmental agreements with the Commonwealth Government. This would ensure greater certainty for services delivered through these arrangements.

- 37 It is relevant to note that, as a recipient of funding from the Commonwealth Government, the findings in the Draft Report relating to the challenges of short-term funding arrangements and compliance focused performance reporting burdens are also experienced by the Northern Territory Government.
- 38 Short-term and shifting funding arrangements from the Commonwealth stymies long term sustainable reforms. In the current Northern Territory fiscal context, certainty of long term funding is essential.
- 39 Whilst the Draft Report recommends seven year funding terms, in context of funding to non-government and community controlled service providers, this funding period is not long enough for a sustainable National Partnership Agreement or National Agreement with the Commonwealth on Children and Families to make a difference:
- a. particularly in the context of unmet need,
  - b. the requirement for significant capacity building for service providers, and
  - c. the need to shift evaluation from a compliance/implementation focus to a culture of outcomes and impact evaluation.

#### **Full funding of service provision**

- 40 The Northern Territory Government understands the unique requirements and higher costs of delivering services in the Northern Territory. Costs related to travel, infrastructure, including maintenance and repairs, providing professional development for staff located remotely and continuous quality improvement are all increased due to the remoteness of the Northern Territory.
- 41 The Northern Territory Government notes that the Productivity Commission's Draft Report also identifies the issue of staff housing.
- 42 Availability of housing for staff is a significant issue for programs delivered in remote communities, and reflects the significant infrastructure deficit handed to the Northern Territory at the time of self-government. The Northern Territory Government has a range of initiatives to address the housing deficit in remote communities including the expansion of the Government Employee Housing program for Aboriginal government employees living in remote communities. The initiative is funded from 1 July 2017 and will span over a 10 year period to construct new dwellings, which still falls far short of the required need.

- 43 The Productivity Commission's Remote Area Tax Concessions and Payments draft report includes draft recommendations to, amongst other things, revert the fringe benefits tax (FBT) exemption for employer-provided housing to a 50 per cent concession. If implemented, this recommendation would have significant cost implications for the delivery of services in regional and remote areas of the Northern Territory including the delivery of essential children and family services relevant to the prevention of harm to children. Any policy change to remove the employer-provided housing FBT exemption will exacerbate challenges in attracting skilled labour and create new administrative compliance burdens for both the public and non-government sector. The Northern Territory Government strongly recommends the current exemption on employer-provided housing is retained, noting there are genuine operational requirements to provide housing for the provision of services in the Territory.
- 44 With the introduction of longer funding agreements, that are inclusive of funding to address both housing and increased service delivery costs in remote localities, it is anticipated that additional stability and certainty for services providers will assist in planning to address these issues. While the Northern Territory Government acknowledges the Commonwealth Government's investment in remote housing, it would welcome the Commonwealth Government's equal consideration of housing supply levers in the context of service delivery in remote communities.

#### **Transition to Aboriginal controlled service delivery**

- 45 The Northern Territory Government is supportive of Aboriginal controlled service delivery and there are a number of initiatives underway to support Aboriginal Community Controlled Organisations (ACCOs).
- 46 The Northern Territory Government's submission to the Productivity Commission's Issues Paper outlined a number of key initiatives underway. These include
- a. Local Decision Making to transfer, where possible, government service delivery to Aboriginal people and organisations
  - b. Remote Aboriginal Governance and Capacity Building Grant Program so communities can strengthen their capacity and capabilities to actively enhance their governance, leadership and operational processes and structures
  - c. Aboriginal Business Development Program, providing small grants to assist Aboriginal enterprises to start or develop.
  - d. Aboriginal Carers Growing Up Aboriginal Children, funding Aboriginal organisation to find and support Aboriginal carers for Aboriginal children in out-of-home care.
- 47 In addition, the Northern Territory Government is currently developing an Aboriginal Contracting Framework that will support Aboriginal employment and business opportunities through government contracting. .
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## Better and more transparent data at the community level

### Client Management System Alignment (CMSA) and information sharing

- 48 The Northern Territory Government is investing \$66.9 million over five years, starting from 2018-19 to develop and implement a new client information system and data brokerage service for child protection and youth justice. The CMSA will deliver an enhanced replacement to current Community Care Information System (CCIS) and provide cross-Government data integration.
- 49 Other agencies across the Northern Territory Government are also updating their information systems, including NT Police, Fire and Emergency Services, Department of the Attorney-General and Justice and Department of Health.
- 50 The new system will record the additional information outlined in the recommendations and facilitate operational information sharing and exchange between youth justice and child protection.
- 51 The new data brokerage service will introduce a secure environment for agencies working with children in the child protection and youth justice systems to access relevant and timely information about the children and families with whom they work.
- 52 The Northern Territory Government is also developing appropriate policies and procedures to support the sharing of information between providers working with children and young people in care and youth detention.
- 53 The Northern Territory Government has also invested heavily in the Northern Territory Council of Social Service (NTCOSS) Directory, so that all communities can search, view and access information on the human services available in their area. This online database provides important data, and addresses one of the Productivity Commission Draft Report's draft recommendation 3.2 recommends. The Northern Territory Government designed, funded and has now expanded this service and would welcome Commonwealth contribution,

## Strong supporting institutions

### Role of the Children's Commissioner

- 54 The Northern Territory Government supports a role for the Children's Commissioner in ongoing monitoring and public reporting on the progress of reforms to children and family services in the Northern Territory, in line with the existing functions and powers of the Children's Commissioner.
- 55 The Children's Commissioner's is an independent statutory authority whose functions and powers are outlined in the Northern Territory legislation, *Children's Commissioner Act 2013*. These functions include
  - a. Dealing with complaints about required services

- b. Monitoring the administration of the *Care and Protection of Children Act* as it related to vulnerable children
- c. Undertaking inquiries related to the care and protection of vulnerable children in the Northern Territory
- d. Monitoring the ways in which the CEO (of Territory Families) deals with suspected or potential harm to, or exploitation of, children in the CEO's care
- e. Providing an Annual Report and other reports to the Minister on matters relating to the Commissioner's functions

- 56 The Children's Commissioner is required to accept and investigate complaints about the provision and standard of services for vulnerable children (Section 21 (1)), and the statutory responsibilities of Northern Territory Government related to vulnerable children. This is an important oversight mechanism to ensure the safety and wellbeing of vulnerable children who are in contact with the service sector.
- 57 However, it is the view of the Northern Territory Government that it would not be appropriate for the Children's Commissioner's role to be expanded to include oversight of expenditure, noting the Northern Territory Children's Commissioner would be limited in its jurisdiction in relation to funding oversight of the Commonwealth Government.
- 58 Further, there are a range of existing statutory financial accountability measures in the Northern Territory including the *Financial Management Act 1995* and the *Audit Act 1995* which provide the legislative basis for efficient and effective management of the Territory financial resources.
- 59 Given the shared responsibility of Commonwealth and Northern Territory Government's established in the Productivity Commission's Draft Report, any oversight mechanism must reflect this shared responsibility.
- 60 The Northern Territory Government supports strengthening the role of the Tripartite Forum in providing oversight of the implementation of the final recommendations of the Productivity Commission, noting the need for appropriate resourcing of the Tripartite Forum by both the Commonwealth and Northern Territory Governments.

#### **Building the evidence base through evaluation**

- 61 The Northern Territory Government is supportive of building an evidence base through monitoring and evaluation of services for children and families to build a culture of continuous improvement.

- 62 *Safe, Thriving and Connected* and *Starting Early for a Better Future* (the Northern Territory Government's early childhood plan) both emphasise the need for improved evidence-based approaches to program design and evaluation and include commitments to commission further research relating to child vulnerability in the Northern Territory and embed evaluation in program delivery.
- 63 In April 2019, the Northern Territory Government released the Fiscal Strategy Panel's final report, A plan for budget repair. The report recognised the importance of rigorous evaluation and recommended the development of a whole of government program evaluation framework. Work is progressing in the development of the whole of government framework which will:
- a. be fully integrated into the policy and budget development process
  - b. ensure the results of the evaluations are used to inform decision-making and improve future program design
  - c. create clear expectations for the development of new programs, for example, all new initiatives should:
    - i. consider previous evaluations as part of the new policy/program design to ensure continuous learning and improvement
    - ii. plan for evaluation at the initial policy/program design stage and identify key performance indicators prior to program commencement
    - iii. identify data sources to monitor program effectiveness, including baseline data
    - iv. include sunset clauses so ongoing funding is linked to evaluation outcomes
    - v. include provision for evaluation as part of the funding request.
- 64 The whole of government program evaluation framework will be used as a basis for training agency staff in best practice policy and program design. The framework and associated documents will be published online and will provide useful guidance for Territory Government service delivery partners.
- 65 The Northern Territory is cognisant that evaluation policy needs to recognise the scale and maturity of service delivery partners to minimise onerous requirements on smaller/less diversified organisations and the difficulties in recruiting and retaining sufficiently skilled evaluators in the Territory (especially in regional and remote areas). It is also important that outcome and impact evaluations have an appropriate level of independence, noting that these evaluations are often commissioned externally.

66 The Northern Territory Government also sees opportunities to improve coordination of evaluations between the Northern Territory and Commonwealth Governments. Similar to the draft recommendations related to improved coordination of funding and service delivery, improving coordination of evaluation is likely to create efficiencies and improve effectiveness while minimising the impact on service providers and others who are involved in evaluation activities.

## Conclusion

- 67 As outlined through its submission, the Northern Territory Government is supportive of the Productivity Commission's draft recommendations where they maintain or enhance mechanisms currently being implemented. This provides stability for the child and family sector and aligns with the long term generational change current reforms are targeting.
- 68 The Northern Territory Government welcomes the opportunity to further embed mechanisms that improve coordination between the Commonwealth and Northern Territory Governments, recognising the shared responsibility of both governments to vulnerable children and families in the Northern Territory.
- 69 In its commitment to ongoing accountability and transparency, the Northern Territory Government will continue to make itself available to the Productivity Commission in its preparations for the Final Report and looks forward to the release of the Final Report in April 2020.