Australian Government
Productivity Commission

Expenditure on Children in the Northern Territory

Productivity Commission Draft Report

November 2019

This draft report has been prepared for further public consultation and input. The Commission will finalise its report after these processes have taken place.

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The Productivity Commission

The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long term interest of the Australian community.

The Commission's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

Further information on the Productivity Commission can be obtained from the Commission's website (www.pc.gov.au).

Opportunity for further comment

The Commission thanks all participants for their contribution to the study and now seeks additional input for the final report.

You are invited to examine this draft report and comment on it by making a written or oral (by phone) submission by Friday 20 December 2019. Further information on how to provide a submission is included on the inquiry website: https://www.pc.gov.au/inquiries/current/nt-children/make-submission.

The final report will be prepared after further submissions have been received, and will be submitted to the Australian Government by April 2020.

Commissioners

For the purposes of this study the Commissioners are:

Michael Brennan	Presiding Commissioner
Angela MacRae	Commissioner
Catherine de Fontenay	Commissioner

Foreword

Families and communities in the Northern Territory possess important strengths and heritage but many also face significant adversity. Children in the Northern Territory are four times more likely than Australian children overall to come into contact with the child protection system, and they face higher rates of socioeconomic disadvantage.

This study explores how governments can work together more effectively so that their funding develops the strengths and protective factors of communities that help to keep children safe and well. As an independent advisory body, the Productivity Commission is well placed to undertake a study of this nature. We bring a whole of community perspective to the issues and consult widely across governments, communities and non-government organisations. This provides the Commission with a unique vantage point from which to observe issues and consider solutions. We have seen that the problems occur at the system level, in spite of the many capable and committed people on the ground and within government. The problems are structural and bigger than any individual entity.

Many of the challenges that apply to children and family services in the Northern Territory — siloed decision making, inadequate coordination between and within governments, and lack of data on services and outcomes at the community level — are also present in other jurisdictions and other policy areas. But their impacts are felt more acutely in environments of high disadvantage. We recognise that there are no easy solutions and that enduring change will require leadership and a commitment to collaboration over the long term.

One of our ambitions for this study was to come up with ways for governments to make better funding decisions that complement current reforms and that make use of organisational structures that are already in place. Communities in the Northern Territory have experienced considerable upheaval as a result of continual policy changes in this area and we have been careful to build on, rather than reinvent, existing reform efforts.

This study was conducted jointly by me and my fellow Commissioners Angela MacRae and Catherine de Fontenay. We were supported by a dedicated team in the Commission's Melbourne and Canberra offices, led by Ana Markulev.

The Commission is grateful to the many individuals and organisations who have taken the time to contribute to this study, including those who provided data, participated in visits and roundtables, and made submissions. I look forward to your continued contributions as we develop our final report over the coming months.

Michael Brennan
Chair, Productivity Commission
November 2019

Terms of reference

I, the Hon Josh Frydenberg MP, Treasurer, pursuant to Parts 2 and 4 of the *Productivity Commission Act 1998*, hereby request that the Productivity Commission undertake a study into Commonwealth and Northern Territory Government expenditure in the Northern Territory in the area of children and family services relevant to the prevention of harm to children.

Background

The Royal Commission into the Protection and Detention of Children in the Northern Territory (Royal Commission) found that funding arrangements in the Northern Territory appear to be characterised by a lack of coordination between the Northern Territory and Commonwealth Governments, and within each government.

The Royal Commission found that Commonwealth and Northern Territory Government investment is not rigorously tracked, monitored or evaluated to ensure that it is appropriately distributed and directed.

The Royal Commission was concerned that government funds were directed to programs without reference to the existence of other programs, their target locations or the outcomes of the services delivered. A study into expenditure in the Northern Territory will supplement information already provided as part of the Royal Commission, and will support the development of a joint funding framework as recommended by the Royal Commission (Rec 39.05 refers).

A joint funding framework is an important step in ensuring the efficient and effective allocation of resources.

Scope

The Commonwealth and Northern Territory Governments have agreed to a joint study of children and families funding and services in the Northern Territory as a response to the Royal Commission.

The Productivity Commission will examine ways to improve funding arrangements across and within the Commonwealth and Northern Territory Governments and the services delivered via these funding arrangements. The Productivity Commission should have regard to relevant funding arrangements including for payments to or through the States (such as those made under National Partnerships), and grants (such as those made under the

Indigenous Advancement Strategy and other selected programs related to the prevention of harm to children).

In undertaking the study, the Productivity Commission should consider:

- the objectives, governance and implementation of current funding arrangements including assessment of:
  - the extent of duplication and lack of coordination across Commonwealth and Territory funding arrangements, individual programs and service providers
  - whether the approach to the design of programs aligns with policy objectives
  - the approach to engaging service providers and allocating funds
  - accountability, reporting and monitoring requirements for service providers and governments
  - levels of access to services
  - approaches to service delivery, including continuity of funding for services over time and levels of coordination and integration between services where a variety of service providers are used.
- principles and approaches for governance and funding to promote better outcomes and improve:
  - the coordination of Commonwealth-Territory funding
  - the coordination, funding, design and administration of programs
  - the delivery of services and levels of access.

The Productivity Commission should have regard to:

(a) the federal financial relations framework, set out in the Intergovernmental Agreement on Federal Financial Relations and the *Federal Financial Relations Act 2009*

(b) the Commonwealth Grant Rules and Guidelines

(c) existing funding agreements and contractual arrangements between relevant parties

(d) existing accountability controls and conditions under (a), (b) and (c).

The scope of the study does not include an assessment of the Northern Territory's expenditure relative to the GST revenue received through the Commonwealth Grants Commission assessment process.

Process

The Productivity Commission will commence the study on 1 April 2019.

The Productivity Commission should undertake appropriate consultation including with the Aboriginal and Torres Strait Islander community sector. The Productivity Commission

should release a draft report to the public and provide the final report to Government within 12 months.

The Hon Josh Frydenberg MP
Treasurer

[Received 6 March 2019]

Contents

Opportunity for further comment iii

Foreword iv

Terms of reference v

Abbreviations xii

Overview 1

Key points 2

1 Why coordination of funding for children and family services matters 4

2 A siloed and fragmented service system 6

3 A better approach to funding children and family services 13

4 Implementing the reforms 25

Draft recommendations, findings and information requests 29

1 About this study 41

1.1 Background to the study 41

1.2 What is this study about? 44

1.3 Our approach to the study 46

1.4 Consultation for this study 54

2 Expenditure on children and family services 55

2.1 A complex funding landscape 57

2.2 How much do governments spend? 65

2.3 Where is money being spent? 68

2.4 A closer look at grant funding 71

3 Linking expenditure to services 79

3.1 What services are being provided? 80

3.2 Improving information about services 95

3.3 What about levels of access to services? 99

4 Sharing responsibility 103

4.1 Roles and responsibilities 104

4.2 Current arrangements for coordination 111

4.3 Initiatives to improve coordination 123

5 Choosing which services to fund 129

5.1 How do governments decide which children and family services to fund? 130

5.2 What assessments of needs are undertaken? 135

5.3 How are communities involved in selecting and designing services? 143

5.4 How are governments using evidence to guide the selection of services? 147

5.5 Overall issues with current processes 154

6 Coordinating funding between governments 157

6.1 Options for coordinating funding decisions 158

6.2 Choosing between the coordination options 166

6.3 Putting the preferred option into practice 168

6.4 Step 1: Collating community-level data 171

6.5 Step 2: Developing community plans 178

6.6 Step 3: Obtaining advice from the Tripartite Forum 184

6.7 Step 4: Making funding decisions 184

6.8 Supporting the coordination and community planning process 187

7 Funding and contracting 193

7.1 The existing funding landscape 194

7.2 Issues with existing funding approaches 195

7.3 Reforms to achieve better funding outcomes 211

8 Monitoring and evaluation 227

8.1 Current monitoring of children and family services 228

8.2 Evaluation of children and family services: an imperfect range of options 236

9 The way forward **253**

9.1 An overview of our draft recommendations 254

9.2 A joint funding framework to support the reforms 257

9.3 Challenges of implementing reforms 262

A Public Consultation **269**

B Case study: a remote community in the central desert **275**

References **287**

Abbreviations

ABS	Australian Bureau of Statistics
ACCHS	Aboriginal Community Controlled Health Services
ACCO	Aboriginal Community Controlled Organisation
AIFS	Australian Institute of Family Studies
AIHW	Australian Institute of Health and Welfare
ALC	Anindilyakwa Land Council
AMSANT	Aboriginal Medical Services Alliance Northern Territory
ANAO	Australian National Audit Office
CfC	Communities for Children
COAG	Council of Australian Governments
DEX	Department of Social Services Data Exchange
DOE	Department of Education
DSS	Department of Social Services
FaFT	Families as First Teachers
GWLW	Grow Well Live Well Palmerston
IAS	Indigenous Advancement Strategy
IFPS	Intensive Family Preservation Service
IFSS	Intensive Family Support Services
LDM	Local Decision Making
NIAA	National Indigenous Australians Agency
PM&C	Department of the Prime Minister and Cabinet
RCT	Randomised controlled trial
Royal Commission	Royal Commission and Board of Inquiry into the Protection and Detention of Children in the Northern Territory
STKIC	Southern Tanami Kurdiji Indigenous Corporation
WYDAC	Warlpiri Youth Development Aboriginal Corporation

OVERVIEW

Key points

- Children in the Northern Territory are four times more likely than Australian children overall to come into contact with the child protection system, and face higher rates of socioeconomic disadvantage. To help address this, the Commonwealth and NT Governments commit significant funds to children and family services. In 2018-19, they collectively spent about $538 million, through 9 funding agencies, more than 700 grants, to over 500 service providers.
- Despite these significant resources, the Commonwealth and NT Governments continue to make funding decisions in relative isolation. This has led to fragmentation, inefficiencies in service delivery, and significant overlap in expenditure effort.
  - There is inadequate coordination between and within both governments, with each often unaware of what the other is funding and of what is being delivered on the ground.
  - It is unclear how the merits of activities for one place are weighed against the merits of activities in another, with the risk of inequitable funding flows driven by the capacity of service providers to apply for funding, rather than by needs and priorities of communities.
  - The current approach to funding service providers is largely short term and output focused. This creates uncertainty and inhibits the ability of providers to build capacity, develop trust, and design and deliver culturally appropriate services over the long term.
- There is immense goodwill, positive reforms and pockets of good practice, but a fundamental shift in approach is needed — one that is underpinned by a stronger commitment to transparency and collaboration between governments, service providers and communities. This would help to ensure that governments are collectively accountable for achieving their shared objective — of keeping children and young people safe and well.
- A formal process — of agreed funding and selected funds pooling — should be established between the Commonwealth and NT Governments. This would involve both governments agreeing on what children and family services each will fund (and where they will pool funds) based on the service needs and priorities identified in community plans.
  - Community plans should be developed that provide a snapshot of the strengths and needs of children and families in the community and give community voice about which children and family services they would like to retain, change or replace.
- Governments should transition to longer-term contracts (a minimum of seven years) that cover the full costs of service provision and take into account the capacity of providers to deliver outcomes, particularly for Aboriginal communities. This should be supported by a relational approach to contracting, where regional government staff and providers engage in regular collaborative reviews with users on service outcomes and continuous improvement.
- Better use of data and public reporting of progress against outcomes for children and families at the community level is also needed. And both governments need to significantly improve their record keeping for the services they fund, and create and maintain a public services list.
- Stronger supporting institutions will be required. The role of the Children and Families Tripartite Forum should be strengthened to include the provision of advice to governments on funding arrangements. And both governments should ensure that their regional networks have the skills, capacity and authority to collaborate to develop community plans and undertake relational contracting.
- Implementing these reforms will be challenging and will require leadership and long-term commitment from governments. The development of a joint funding framework between the Commonwealth and NT Governments would formalise and bolster the reforms proposed in this report. External oversight of the reforms by the NT Children's Commissioner would also help to embed incentives for implementing the reforms.

Overview

This is a study about government expenditure on children and family services in the Northern Territory, with a focus on services relevant to the prevention of harm to children. In essence, the study is about how the Commonwealth and Northern Territory Governments can work together better, so that their expenditure decisions lead to improved outcomes for children and families.

The terms of reference for this study originated from the Royal Commission into the Protection and Detention of Children in the Northern Territory (the Royal Commission). That Commission was established following the airing in 2016 of the ABC's *Four Corners* TV program, 'Australia's Shame,' that included footage of mistreatment of children in detention in the Northern Territory. The Royal Commission found that expenditure on children and family services is not rigorously tracked, monitored or evaluated to ensure that it is appropriately distributed and directed. It identified a need for greater coordination and transparency of government funding decisions.

Many of the detailed findings of this study confirm those of the Royal Commission. However, identifying a need for coordination does not resolve the question of how to achieve coordination. There is a delicate balance to strike between the need for substantial improvements in coordination, and the need to maintain some continuity in an environment that has been marked by abrupt policy changes. The recommendations of this study aim to strike that balance.

Although there is a desire within many government departments to make changes, and there are signs of positive reforms, many stakeholders are sceptical of governments' ability to follow through. This is partly driven by their experience of the long history of inquiries that relate to child harm in the Northern Territory and by the fact that there has been little enduring change to the outcomes that matter most — keeping children and young people safe and well. Governments are often quick to accept recommendations and announce reforms, but there can be a tendency for true change to evaporate during the long and difficult process of implementation. This may reflect fiscal pressures, administrative inertia, pushback from influential stakeholders, or simply the political and news cycles of the day.

Governments should focus on what outcomes they are collectively achieving from their investments, rather than seeking credit for individual funding announcements. This requires leadership and a commitment to greater collaboration between governments to achieve shared outcomes. The ethos of those running the system should be a local focus, learning by doing, and collaboration with providers and communities.

1 Why coordination of funding for children and family services matters

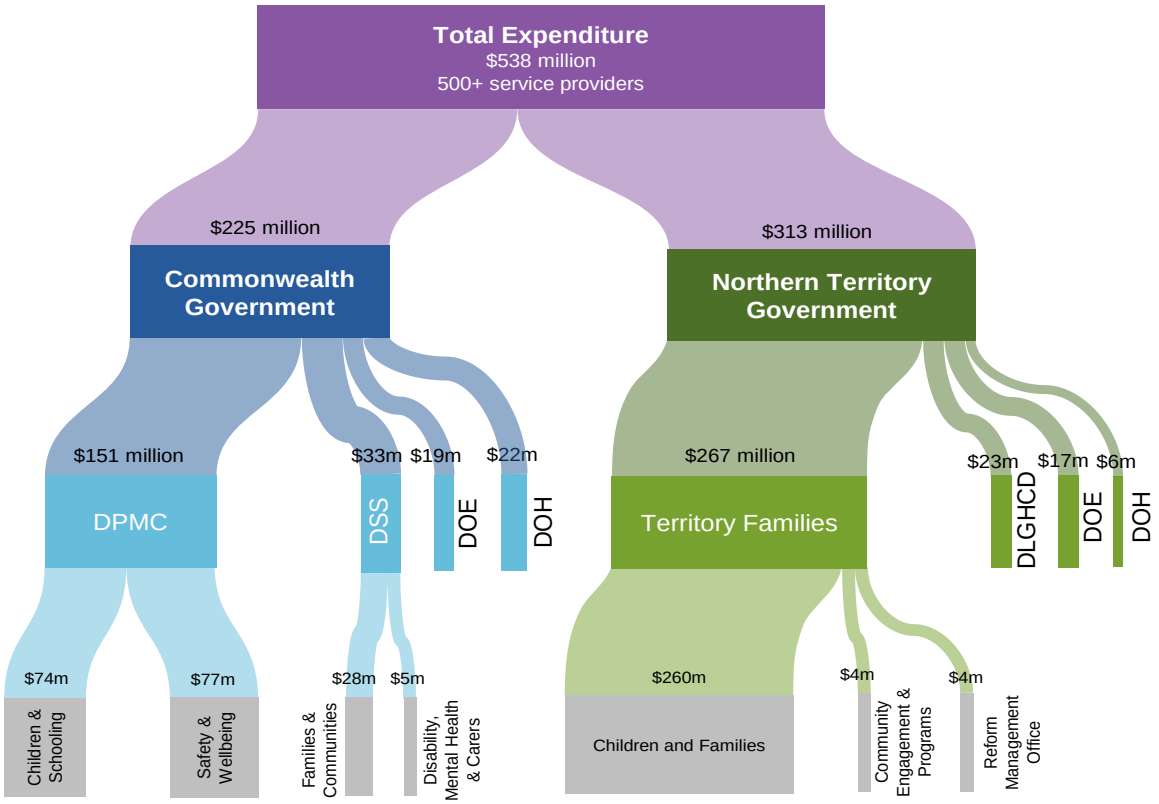
There are unique challenges associated with the provision of children and family services in the Northern Territory. Compared with other Australian jurisdictions, families and children in the Northern Territory face higher rates of disadvantage, with about 27 per cent of children living in areas with high levels of socioeconomic disadvantage. The risk of harm to children is exacerbated by a higher prevalence of other risk factors including: living in households facing poverty, unemployment or overcrowding; mental health issues; substance abuse; and family violence. Together, these factors have contributed to poorer outcomes for children in the Northern Territory, including higher rates of abuse and neglect. There is opportunity to enhance the protective factors and strengths of communities to improve children's wellbeing.

The recommendations in this report are intended to apply to all children in the Northern Territory. But they take account of the experience of Aboriginal children in particular (who comprise 42 per cent of the 63 000 children living in the Northern Territory) that is shaped by a unique set of cultural and historical factors. The Royal Commission noted that intergenerational trauma stemming from the results of colonisation is a key factor driving the overrepresentation of Aboriginal children and young people in out-of-home care and youth detention in the Northern Territory. This means that the need for flexible and culturally capable services — that deal with issues of intergenerational trauma and reflect the specific needs, strengths and aspirations of Aboriginal communities — is particularly acute. But it also presents opportunities for governments to better work with Aboriginal families and communities when designing and delivering services — building on cultural strengths.

The system of services relevant to the prevention of harm to children is complex. The NT Government is responsible for the statutory child protection and youth justice systems (including out-of-home care and youth detention). And both governments are responsible for a wide range of other services relevant to the prevention of harm to children, including services such as parenting programs, health, early education, and youth engagement, which are funded by multiple government departments. We estimate that, in the financial year 2018-19, the Commonwealth and NT Governments spent about $538 million on services directly relevant to the prevention of harm to children in the Northern Territory, across at least nine government departments and at least 500 different service providers (figure 1).

The majority of funding from the Commonwealth Government comes through grants from the National Indigenous Australians Agency's (NIAA) (previously the Department of the Prime Minister and Cabinet) Indigenous Advancement Strategy, with a sizeable contribution also coming from the Department of Social Services' (DSS) Families and Communities Program. Territory Families is the largest funder of children and family services overall and a large share of this funding relates to its statutory child protection responsibilities (such as child protection investigations and out-of-home care).

Figure 1 **Expenditure flows for children and family services in the Northern Territory, 2018-19**



Source: Productivity Commission estimates based on departmental data.

Given the number of entities involved, it is essential that the provision of services is well coordinated and that funding supports the delivery of flexible and culturally capable services. The Royal Commission recommended the adoption of a 'new public health approach', funding the right mix of universal, early intervention, and statutory interventions to reduce the risk of harm to children, with these services working together, rather than in isolation.

The current situation is far from this ideal. Funding decisions are typically made in silos, by government departments that are largely unaware of what others are funding or what services are being delivered on the ground. There are significant gaps in expenditure data, and the disparate data that is available is not being harnessed to build a holistic understanding of how children, families and communities are faring. In many cases, governments are relying on service providers to understand local needs and to engage with communities. Overall, the current approach — regardless of the strengths of individual funding agencies and programs — has resulted in a fragmented system that is failing to best address the needs of children and families. And ultimately, it is not facilitating accountability for whether governments are collectively succeeding or failing to achieve their shared objective — to keep children and young people safe and well.

2 A siloed and fragmented service system

During this study, we heard from many highly dedicated people trying to make a difference to the lives of children and families in the Northern Territory. But they are often working with limited information, and within a fragmented and largely supply-driven system of children and family services in the Northern Territory.

There is evidence of duplicated effort in funding services and cases of multiple providers delivering similar types of services in the same areas. At the same time, there is concern from stakeholders about gaps in services (unmet needs) in many areas. Investment from both the Commonwealth and NT Governments is inadequately targeted, made without a comprehensive assessment of the needs or priorities of communities, and decided without full knowledge of the other services already being provided in a community.

There is significant overlap in expenditure effort

There is significant overlap in the types of services being funded by different levels of government and their departments. In other words, at an aggregate level, the Commonwealth and NT Governments are often operating 'in the same field'. As shown in table 1, most types of services are funded by both Governments, and there is particular overlap in:

- family violence services, such as crisis accommodation — notably, both levels of government fund the operation of safe houses and shelters
- crime, justice and legal services, such as youth diversion services
- community development services, such as services or events to promote leadership and community resilience
- sport and recreation services, such as youth engagement services.

These overlaps are exemplified by the Intensive Family Support Service (IFSS) (funded by DSS) and the Intensive Family Preservation Service (IFPS) (funded by Territory Families). Both IFSS and IFPS are provided to families in the Northern Territory. In some locations, such as in Katherine, both services are available, but there are some locations where neither program exists. For example, in the East Arnhem region there is no IFSS and only one IFPS program (in Nhulunbuy) which does not reach all communities in the region.

To understand the nature of this overlap better, we examined the types of services funded through different departments. Figure 2 maps expenditure by each department to the specific types of services that were provided in 2018-19. There is considerable overlap between agencies in terms of the services they fund — and some types of services, such as early childhood and family support services, were funded from as many as seven different sources. This reflects the observations of Child Friendly Alice, which noted that sometimes:

> … one agency doesn't know another is involved, or if they do know another agency is involved the parties have not reached agreement on who does what and by what time … An example of

> this is Connected Beginnings funded by [the Commonwealth Department of Education] in key sites in the NT, including Alice Springs, DSS fund a range of similar services (such as Stronger places Stronger people, Communities for Children, Hippy, Intensive Family Support, similarly PMC fund services. [The NT Government] also fund related services ([Families as First Teachers], Child and Family Services).

There are instances where similar services are being funded by different agencies in the same areas. For example, in Umbakumba (on Groote Eylandt) there are several services targeting children aged 0 to 5 years, including: Families as First Teachers (NT Department of Education); Save the Children's early childhood program (Anindilyakwa Land Council); and the Crèche Centre (East Arnhem Regional Council). Funding of services from non-government sources (such as royalties and philanthropic donations) adds to the complexity of the service system. The Commonwealth Department of Education funded the Connected Beginnings program in Groote Eylandt to help integrate the range of early childhood, maternal health and family support services in the area.

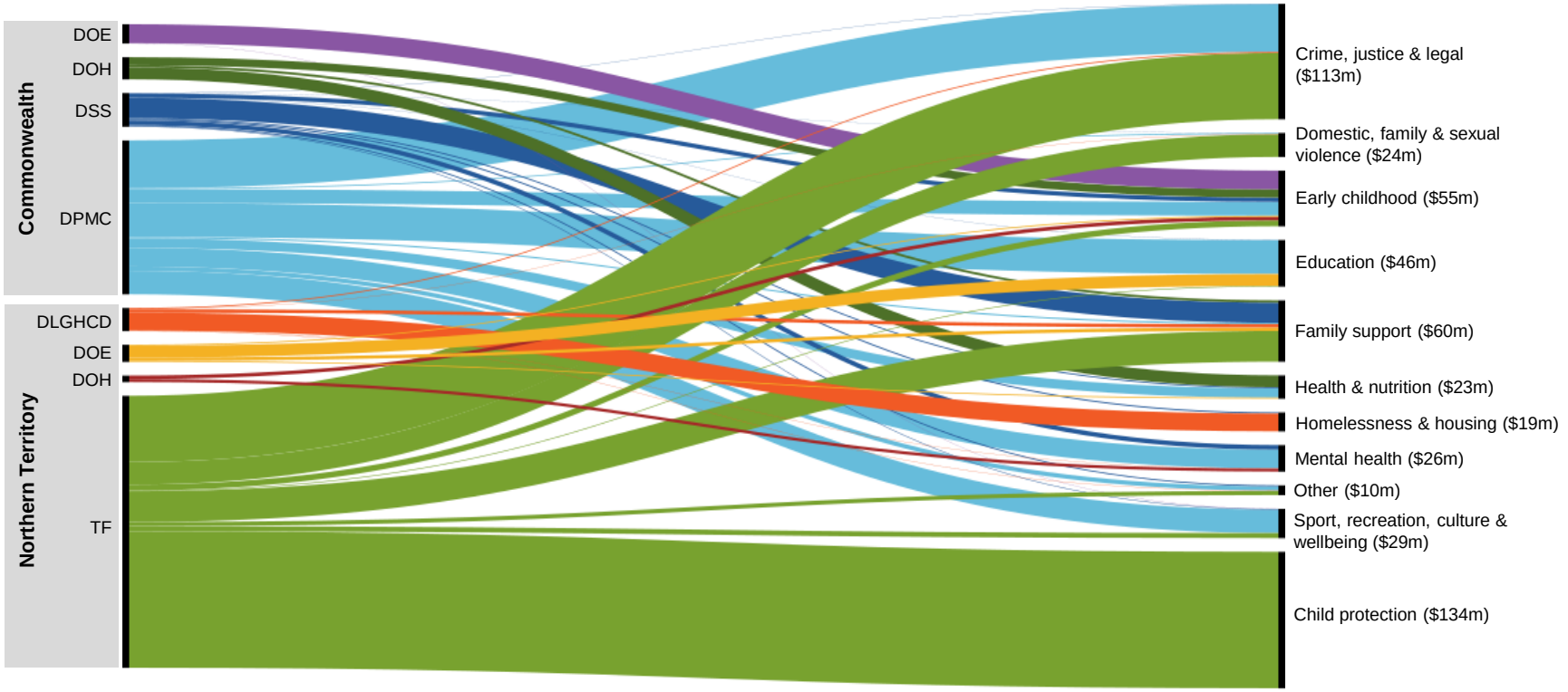
Participants to this study also drew attention to areas where there were service gaps in some locations, including: mental health supports for young people; parenting programs; access to safe houses; and youth justice services, including the provision of legal assistance, supported bail accommodation, rehabilitation and therapeutic programs.

Table 1 **Number of grants by service type**

Service type	*Commonwealth*	*NT*	*Total*
Child protection	-	142	142
Community development	13	61	74
Crime, justice and legal	51	28	79
Domestic, family and sexual violence	17	55	72
Early childhood	104	32	136
Education	54	27	81
Employment	5	4	9
Family support	42	33	75
Health and nutrition	66	3	69
Homelessness and housing	6	32	38
Mental health and substance misuse	36	50	86
Migrant services	6	3	9
Remote services	1	-	1
Sport, recreation, culture and wellbeing	67	242	309

Source: Productivity Commission estimates based on departmental data.

Figure 2 **What types of children and family services do departments fund?**



Source: Productivity Commission estimates based on departmental data.

Shared responsibilities are challenging but inevitable

The unclear and overlapping responsibilities and objectives of each level of government is one cause of the overlap and fragmentation in services. The Commonwealth plays a significantly more hands-on role in directly funding children and family services in the Northern Territory than it does in other jurisdictions (partly due to its role in Indigenous policy) — providing about 40 per cent of the expenditure on children and family services in the Northern Territory, all of which flows through grant programs.

Both governments share the same objective — that Australia's children and young people are safe and well — as articulated in the *National Framework for Protecting Australia's Children,* but it is not always clear how this is filtered down into actions in each of the main funding streams. Each government funds a plethora of activities — with the NT Government alone having more than a dozen strategic plans relevant to children and family outcomes — but often the relationships between them are not explicit, and they do not identify clear boundaries for who is responsible for what when it comes to related funding decisions. Responsibility for specific service areas and functions is spread across the two governments, with much overlap.

That said, a realignment of roles and responsibilities based on the principle of subsidiarity (where service delivery is, as far as practicable, delivered by the level of government closest to the people receiving those services) is likely to be contested and protracted. Such efforts also bring with them the risk of creating new funding silos and undermining cooperation if each government were less committed to shared outcomes as a result (or less committed to providing funding).

Significant improvements to service delivery can be made without trying to codify or substantially realign the responsibilities of each government. Although clearer roles and responsibilities would be desirable in the long term, efforts to achieve this now could prove counterproductive. In any case, a new process to coordinate funding decisions between governments (proposed later) is likely to result in clearer responsibilities evolving organically.

Inadequate coordination and integration arrangements

Shared roles and responsibilities for children and family services necessitate effective coordination and collaboration. But there is currently inadequate coordination between and within the Commonwealth and NT Governments, with each often unaware of what services the other is funding in each location, and of what is being delivered on the ground.

There appear to be no formal mechanisms for the NIAA and DSS to coordinate policy objectives or funding decisions. Although the NIAA has a well-established regional network, it is underutilised. The Australian National Audit Office found that the PM&C regional network (now NIAA) had inconsistent input into program development, with limited authority to make decisions. The expertise of regional network staff could be more

effectively used by NIAA central office, as well as by other Commonwealth agencies, such as DSS.

Coordination appears to be improving within the NT Government, with the establishment of a number of coordination forums, including the Children's Sub-Committee of Cabinet, and regional strategic coordination committees involving government representatives (which also include Commonwealth Government representation) and service providers in each of the NT Government's regions. We have little direct evidence of how successful these have been and most are in the early stages of development.

Coordination may further improve following the establishment in 2018 of the Children and Families Tripartite Forum (a body with formal representation from the Commonwealth and NT Governments and the community sector) to coordinate policy and funding decisions in the Northern Territory (discussed below).

In terms of coordinating service delivery, the NIAA, DSS and the NT Government have each established programs that aim to integrate services in specific communities. Often they involve an entity coordinating particular types of services (such as early childhood services). Other initiatives have been more bottom-up and relied on the goodwill of service providers and locally based government representatives. But these ad hoc place-based initiatives are mostly small scale and often overlap, with little ability to induce cooperation by other parts of government.

In some places, there are multiple efforts to integrate services on the ground. For example, in Alice Springs, several coordinating bodies for children and family services have been funded by governments, including Connected Beginnings (Commonwealth Department of Education), Larapinta Child and Family Centre (NT Department of Education), and Communities for Children (Department of Social Services). In an effort to bring about a more cohesive and coordinated system, the Child Friendly Alice initiative was created, which includes representatives from each of the above organisations.

Overall, in most cases, service providers are left with the difficult task of trying to provide integrated services that meet community needs. The coordination that does occur is typically informal and ad hoc (for example, providers co-locating or sharing referrals), and is strongly reliant on the personalities of staff. Reliance on such an approach in the absence of more formal mechanisms runs the risk that collaboration dissipates when key staff move on.

Services not rigorously targeted to needs or priorities

Understanding the level of need for children and family services in different communities provides an evidence base for directing limited funding and resources to the most effective services within a community. There are pockets of good-practice needs assessment in some cases, such as where funders draw on data and local consultation to identify vulnerable and at risk children and families to identify community needs. However, the current approach to assessing needs is siloed, conducted separately by the different funders on a

program-by-program or application-by-application basis. This is compounded by the lack of up-to-date data on the services each government is already funding in each location.

Overall, it is unclear how the merit of activities for one place are weighed against the merit of activities in another. There is a risk of inequitable funding flows driven by the capacity of service providers to apply for funding, rather than being driven by an assessment of the needs of communities or likely effectiveness of different services.

Stakeholders also raised concerns that genuine community input is limited, often relegated to how services will be delivered in a community after funders have decided what service to fund — an undeniably 'top-down' approach. There are exceptions, such as some place-based programs that rely on local organisations to identify services based on consultation with communities (known as facilitating partner models, with different versions funded by NIAA and DSS). But these programs often face small budgets that need to be stretched over wide areas. For example, in the Katherine region, the facilitating partner received $1.3 million in 2018-19 to cover a population of 17 822, living in 21 communities in an area of 326 327 km^2 (larger than Victoria and Tasmania combined). And consultation may be limited in practice.

The result can be that necessary services do not exist in some places, or that the services that are funded are not tailored to the social, cultural or demographic contexts of the community. One example raised by participants was that parenting programs can be based on Western child rearing practices and not facilitated by Aboriginal people for Aboriginal people.

Funding services that have an evidence base derived in a national or mainstream context may also mean that communities' needs and priorities are not met. Although some programs offer scope for providers to adapt programs to the local context, others are more rigid. For example, the Communities for Children program requires half of its funding to be directed to evidence-based activities, which involves selecting from a predetermined list of programs or submitting activities to the Australian Institute of Family Studies. This can be challenging given the sparse evidence for 'what works' for children and family services in the Northern Territory (and especially in remote Aboriginal communities).

The combination of these factors means that, overall, government funding decisions do not align with a place-based approach (targeting funding to the needs and priorities of each community) or a public health approach (investing in the most effective measures to prevent harm to children in the long term).

Both governments recognise the importance of consultation and engagement with communities to identify needs and design and deliver services that are culturally and place appropriate. All three of the major funders (NIAA, DSS and the NT Government) are implementing place-based or local decision making approaches in some communities. These are positive steps.

Short-term, inflexible approach to funding services

Compounding these issues is the short-term nature of contracting for children and family services. Grant contracts are generally short term (between two and four years), and focus on outputs rather than longer-term outcomes. This creates uncertainty for service providers and inhibits their ability to plan and invest. Of particular concern for providers are:

- short-term staff contracts leading to high staff turnover, which can impede continuity of care for children and families with complex needs. Staffing issues are particularly pertinent in servicing remote parts of the Northern Territory, where local labour markets are thin and it is difficult to attract skilled workers
- inability for long-term planning (including investments in organisational and workforce development) and collaboration with other local providers. This works against the achievement of an integrated public health approach to children and families
- the administrative costs of providers having to spend significant time cobbling together funding from different sources. These costs shift resources away from service delivery and are particularly difficult to justify when funding is rolled over each time. As an example, the North Australian Aboriginal Justice Agency, received funding in 2018-19 from 11 different grants from the same department (with a total value of $6 5 million), all for the provision of legal services in the Northern Territory
- funding that does not adequately meet the full costs of service delivery, including capital costs (such as staff housing, vehicle, and building expenses) which can be critical for services to be able to be delivered, particularly in remote communities. Long-term costs cannot be funded from short-term grants. For example, youth services could not be consistently provided in the remote community of Utopia until staff housing was built for someone to run these programs. Other costs that are often overlooked are capacity building, and funding for monitoring and evaluation that funders expect of providers.

Funding uncertainty is compounded by funders providing insufficient information at each stage of the contracting process, especially short application timeframes and limited advance warning of renewal or discontinuation of funding. This inhibits effective design of services and providers' ability to plan beyond the existing contract.

Concerns were also raised about competitive funding processes that place a disproportionate weight on the financial costs of services, over other less tangible benefits, such as cultural capability. This can mean that contracts are awarded to providers who can deliver outputs at least cost, even though another (higher cost) provider may be more capable of delivering better longer-term outcomes. We heard of a case where an Aboriginal organisation was excluded from a tender process for the delivery of Targeted Family Preservation Services as it submitted an application for funding with a cost that was above an undisclosed price threshold. The provider considered the additional cost of qualified personnel necessary to effectively provide the service. Governments more recently are focusing on how they can better engage local service providers to promote local and culturally appropriate service delivery.

3 A better approach to funding children and family services

A new approach is needed for funding children and family services in the Northern Territory. Governments need to move away from the top-down, siloed and fragmented approach to funding and delivering services and towards a system that targets funding to the needs and priorities of children, families and communities. To effectively address the complexities faced by children and families in the Northern Territory, communities must be part of the design, delivery and evaluation of the programs and services that affect them.

We are recommending reforms across the commissioning cycle, from the way decisions are made about what services are funded; how these services are designed; how service providers are funded and managed; and how the outcomes of government investment are tracked, evaluated and publicly reported (table 2). A theme that underpins our suite of recommendations is that keeping children safe and well is a shared responsibility — of families, communities, and governments — and that in order to improve outcomes, a more collaborative approach is needed. Our draft recommendations are intended to apply to all children and families in the Northern Territory. The reforms cover four priority areas.

1. *A cooperative approach to funding, underpinned by community plans* — the Commonwealth and NT Governments need to agree on a new way of working together. The new approach should include governments genuinely engaging with communities, to come to a shared understanding of the issues their children and families face, and to jointly commit to solutions, with collective ownership of outcomes. To put this new way of working into practice, a formal process to agree on funding for children and family services should be established. This process should be underpinned by better community-level data and community plans that identify service needs and priorities.
2. *A longer-term, collaborative approach to contracting service providers* — all relevant funders of children and family services in the Northern Territory should transition to longer-term funding contracts with service providers (a minimum of 7 years), and adopt a relational approach to managing contracts. This means working collaboratively with providers (in consultation with communities), focusing on outcomes, funding capital expenditures, and building the capacity of Aboriginal organisations to deliver services.
3. *Better data at the community level* — there is a need for the Commonwealth and NT Governments to improve their data collection, and to measure and publicly report on progress against wellbeing outcomes for children and families at the community level. This should be supported by monitoring and evaluation that uses community-level data and that facilitates learning-by-doing and continuous improvement in services.
4. *Stronger supporting institutions* — stronger institutions will be needed to support the above reform areas, including strengthening the role of the Children and Families Tripartite Forum (to provide advice to governments on coordinated funding decisions), and a stronger role for regional staff to lead the development of community plans and to undertake relational contracting.

Table 2 **Draft recommendations**

Problems	*Causes*	*Draft recommendations*
Reform area 1: Coordinated funding underpinned by community plans		
Services are fragmented across places and providers, and collectively fail to meet the needs and priorities of children, families and communities. Communities have little say over what gets funded	• Lack of comprehensive assessment and identification of needs and priorities to inform funding decisions — governments not taking a place-based approach	• Development of community plans, driven by Commonwealth and NT Governments and in collaboration with each community to identify and prioritise areas of need (rec 6.1) • Governments only fund services consistent with community plans (rec. 6.1)
	• Services imposed in a 'top-down' or supplier driven way, often with little community engagement in the planning, design and delivery of services	• As above, and community engagement during service delivery to build the evidence base and enable continuous improvement (rec. 8.1)
	• Inadequate coordination of funding decisions across government	• A new process for better coordinating funding between governments (rec. 6.1)
Lack of coordination on funding priorities between Commonwealth and NT Governments	• Overlapping and unclear roles of governments • Unclear links between policy objectives/outcomes/actions • Lack of data sharing and needs assessments	• Governments to work together (with advice from the Tripartite Forum) to share information and coordinate funding, and to pool funds in selected areas (rec. 6.1) (supported by a joint funding framework between the Commonwealth and NT Governments (rec. 9.1))
Reform area 2: Longer-term, more collaborative contracting of service providers		
Funding uncertainty for service providers inhibits planning, staff retention, and development of relationships with users	• Short grant funding periods (on average, 2–4 years) • Insufficient notice of when grants will be renewed or ceased	• Transition to longer-term funding (7+ years) using a more flexible, relational approach to contracting, which focuses on continuous improvement rather than short-term service outputs (rec 7.1, 7.3) • Rolling schedule of funding opportunities, with sufficient time for providers to apply and design appropriate services (rec 7.2)
Funding does not cover full costs of services, resulting in providers having to cobble funding together and manage multiple grants	• Individual grants often do not provide sufficient funding for full service provision due to: - restrictions on what funding can be used for (for instance, funding does not take full account of capital costs) - failure to account for higher costs in remote areas	• Funding contracts should take account of the full costs of service provision (rec. 7.1)
Competitive funding processes can disadvantage smaller local, Aboriginal organisations and discourage collaboration	• Disproportionate focus on short-term costs over long-term benefits • Community-based service providers have limited resources to compete against larger, non-Aboriginal NGOs	• Greater focus on provider characteristics in funding decisions, and grant agreements to incorporate requirements (where appropriate) and funding for partnerships with local Aboriginal organisations (rec 7.5)

(continued next page)

Table 2 (continued)

Problems	*Causes*	*Draft recommendations*
Reform area 3: Better and more transparent data at the community level		
The funding landscape for children and family services is opaque, making it difficult to assess current services	• Challenges with data availability, including: - inconsistent location data, which is not linked to specific towns or communities - inconsistent categorising of activities across departments	• Develop a common method for: - reporting location data (rec. 3.1) - describing and categorising children and family services (rec 3.1) • Create and maintain a single public services list (rec 3.2)
Lack of oversight of how community outcomes are changing over time, or how service delivery is contributing to these outcomes	• Limited data are available on children and family outcomes by location on a consistent basis • The contribution of services to outcomes is not rigorously tracked	• Collect and report outcome measures for children and families at a community level (rec 6.3)
Performance reporting imposes burdens on service providers for limited visible benefit	• Multiple funders means multiple reporting requirements • Data is requested frequently and does not seem to be effectively used by agencies or fed back into agency-level performance reporting on outcomes	• Streamline reporting requirements across agencies and design reporting to inform and facilitate continuous improvement (info request 8.1) • Accountability generated through relational contracting (rec. 7.3)
Limited evidence of 'what works' for children and family services/activities in a Northern Territory and remote/Indigenous context	• Scope for continuous improvement constrained by prescriptive contracts and inadequate data collection • Limited use of evaluations • Cost of evaluation often borne by service providers with limited resources or capacity to undertake or commission evaluations	• Adopt a continuous-improvement approach to monitoring and evaluation. - embed monitoring and evaluation in funding contracts (including funding for surveys) (rec 8.1) - government funders to prioritise more formal evaluations based on levels of risk and expenditure and where there have been no significant policy changes in communities (rec 8.1)
Reform area 4. Stronger supporting institutions		
Poor coordination of government funding decisions	• Existing institutional structures are nascent, underutilised or patchy	• Expanded role for regional networks to lead development of community plans and undertake relational contracting (rec 7.4) • Role of Tripartite Forum to be expanded to provide advice to governments on funding allocation and funds pooling (rec 6.2)
Concerns about lack of progress and commitment to reforms by government	• Lack of transparency and accountability for reforms	• NT Children's Commissioner to monitor and publicly report on progress of reforms (rec 9.2)

Reform area 1. Coordinated funding underpinned by community plans

A formal process is needed to coordinate the funding of children and family services by the Commonwealth and NT Governments. Although a formal coordination process could take

many forms, best results will be achieved when both governments share detailed data, agree on what types of services they will each fund and in which locations, and agree to pool funds in specific policy areas and/or locations where there is already a high degree of overlap in funding activity — with scope to increase the extent of pooling over time.

The Commission is proposing a process that the Commonwealth and NT Governments should use to reach agreement on funding children and family services. The process involves four key steps (figure 3).

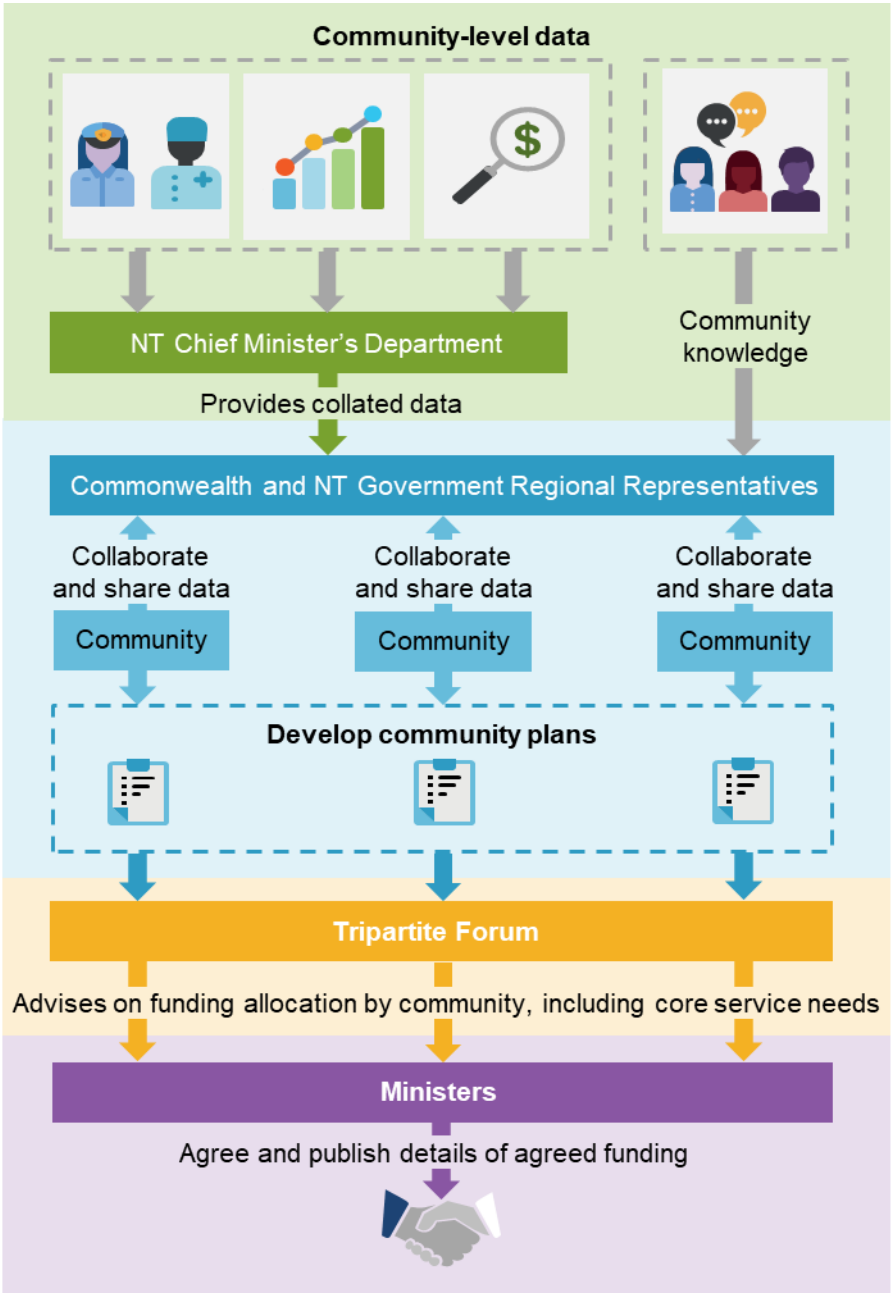
- Collating available community-level data on services, outcomes (risk and protective factors) and current expenditure on children and family services in each community, to supplement community knowledge and understanding.
- Sharing and discussing the data with community members, and working with communities to develop a community plan that provides a snapshot of the strengths and needs of children and families in the community and gives the community a voice about which children and family services they would like to retain, change or replace.
- The Children and Families Tripartite Forum drawing on the community plans to provide advice about funding arrangements for children and family services across the Northern Territory, including advice about funds pooling for particular locations or services.
- The relevant Commonwealth and NT Government Ministers considering the community plans and advice of the Tripartite Forum, agreeing on which children and family services each is going to fund and in which locations (including pooled funding arrangements), and publishing details of the agreed funding.

This process should be repeated as frequently as necessary to guide coordinated funding decisions. This may be annually at first, as existing short-term contracts end and new data gradually becomes available. In the longer term, less frequent updates may be appropriate.

Sharing data with the community and developing the community plans

As the community plans are intended to guide funding decisions, governments will need to drive the process of developing them by compiling and disseminating the necessary data. Access to data is vital in empowering communities, service providers and governments to make good decisions. Relevant data (including on risk and protective factors relevant to child harm and wellbeing) should be provided to regional network staff (from the NIAA and NT Government) and to the community, so that the data can be discussed and validated by local knowledge and compared over time (box 1).

Figure 3 **A process for the Commonwealth and NT Governments to agree on funding for children and family services**



Box 1 **What information would feed into community plans?**

Baseline data and community knowledge on risk and protective factors for child safety and wellbeing at a community level, including:

- any data on community strengths and protective factors, such as average levels of social and emotional development
- socio-economic data, such as income, employment status and number of people per bedroom
- rates of crime and domestic violence
- child protection notification and substantiation rates, and any data on prevalence of child harm
- health, education and disability data, such as the number of children with a learning disability, hearing loss, rheumatic heart disease and educational attainment and attendance
- Australian Early Development Census results, including physical health and wellbeing, social competence, emotional maturity, language and cognitive skills.

Existing services and assets, including information on what services are currently being delivered and the extent to which current services are under or oversubscribed (based on usage/access rates). This can be supported by data from a service list. Existing services could also be mapped against a core services framework — a defined minimum set of children and family services that would ideally be provided (or accessible) to every community.

Desired outcomes and prioritised needs of the community, as articulated by community members and local governance bodies. These can build on existing strengths in the community — for example, a community with strong cultural ties might prioritise initiatives that help children to engage with their culture over behavioural interventions in schools. The aim would be to identify priority service areas that could then inform funding decisions. But this does not necessarily require the identification of specific services. It may be that communities identify priority areas (such as support for youth mental health) with the nature of the service/activity to be determined later. In making decisions, local communities would be given access to data and information both about their own community and the range of services that may be available.

Regional network staff from the NIAA and NT Government, in collaboration with the community, would then develop a community plan that provides a snapshot of the strengths and needs of children and families in the community, and the priority services the community would like to retain, change or replace. There needs to be genuine engagement with community members at all stages of this process. There may be variation in the capacity and willingness of local people to get involved in the process, which should also be open to different approaches.

It is incumbent on governments to get the process started and they should begin negotiations with whichever community members want to be involved. In order to be valuable in guiding governments' funding decisions, engagement with communities needs to accurately reflect the situation and priorities of each community, taking into account the social, cultural and economic ties that exist across populations (box 2).

Box 2 What constitutes a community?

Community plans should be developed to cover all children and families within the Northern Territory. And although it would be tempting to say that each town or settlement should have its own plan, this may be unworkable and inefficient, particularly if sufficiently granular data are not available. Instead, if existing social and cultural networks (and population movements) span a broader geographic area, or if services can be more effectively provided across a wider area, then this may define a community. Existing towns and settlements should have a say in how they are defined and carved up in the process, but a starting point could be to use existing boundaries (such as the 63 local authorities, the regions used for the 17 Children and Family Centres that are being established in the Northern Territory, or the 26 service areas used by the NT Aboriginal Health Forum). There may also be scope to build on existing planning processes (such as the Barkly Regional Deal, and areas subject to local decision making agreements).

Using community boundaries that are already defined would have the benefit of allowing the community planning process to start more quickly. The Commission's preferred option would be to start the community planning process based on the existing boundaries of the 63 local authorities. In practice, it is likely that there would be fewer than 63 community plans, as some local authorities would consider themselves part of the same community and so may wish to work together on their plans for children and family services.

The overriding imperative of the community plans is not to develop comprehensive community profiles or to achieve unanimity about which services should be provided, but rather to start moving through the steps and developing the plans using whatever data and information are currently available. In the first instance, these data will be incomplete, with a range of known gaps and deficiencies. But initiating conversations about communities' needs and values and reflecting those conversations in plans that can be used to guide governments' funding decisions should not wait for 'perfect' information.

The plans should cover all children and family services, but could eventually be broadened to cover other community needs (such as housing or health services, as these are inextricably linked to the protection and wellbeing of children and families). The plans would not be used to formally coordinate funding for these broader needs (at least not initially), given the separate funding mechanisms that already exist for these service areas. That said, including broader needs in the plans could provide an opportunity to inform these other areas of funding decisions and encourage governments to think more holistically about how they provide services, especially in remote areas.

Government agreement on what to fund from the community plans

To coordinate funding of the priorities identified in community plans, the Commonwealth and NT Governments should establish a formal process of 'agreed funding with selected funds pooling'. In this model, the governments would first need to agree on what types of services they will each fund, and in which locations, drawing on the available data and community plans (as they become available) and would need to agree on this before funding decisions are made (supplemented by much greater data sharing on what each government

is already funding). Existing funding programs (such as the NIAA's Indigenous Advancement Strategy or DSS' Families and Communities Program) could largely be kept in place initially.

The governments should then seek to move towards pooled funding for selected service areas and/or locations, such as services where responsibilities and funding are currently very fragmented or unclear (for example, family support services). Pooling has the advantage of allowing service providers to obtain one grant for a particular service rather than cobbling together multiple grants, with all of the compliance and administrative burdens that creates.

Funding decisions would be supported by the advice of the Children and Families Tripartite Forum — the advice of the forum would focus on the distribution of expenditure and needs across the Northern Territory (and opportunities for pooling) based on the suite of community plans. Relevant Commonwealth and NT Government Ministers are ultimately responsible for funding decisions based on the advice of the Forum and the community plans, and under our proposal, should publish details of their agreed funding decisions for each community. This process should be formalised in a joint funding framework (an intergovernmental agreement) which was recommended by the Royal Commission recommended, and which our study is intended to inform (as noted in our terms of reference).

The process could start with a staged approach with small scale funds pooling in a few areas to better understand the practicalities, risks and challenges that pooling would give rise to. Subject to this being successful, governments could then move over time to greater use of pooling — something more akin to full funds pooling, with significantly greater local control of funding, delivery (if desired) and monitoring of services.

Local control of some services is an end in its own right and the NT Government has embarked on a process of developing local-decision making agreements with communities (agreements have already been signed with a number of local bodies, including on Groote Eylandt and in the Yolŋu region of East Arnhem). This involves giving communities the authority to decide which services they will receive, and how these services will be delivered (although this does not necessarily mean delivery of services by a local entity). It can range from a community organisation guiding governments on how to provide a single service, right up to the community having its own pool of funding to spend in line with its priorities.

Not all communities are in the position to move to local decision making immediately, but in the long term it can be facilitated by both the Commonwealth and NT Governments pooling funds for specific communities. Governments will need to invest in building the capacity of local organisations and governance structures, including by providing funding and training. They will also need to grapple with complex questions of who represents a community. These issues do not have easy answers, and governments should assist communities in finding their own solutions.

Reform area 2. Longer-term, more collaborative contracting

A fundamental shift is required in how governments contract and fund providers of children and family services, transitioning away from short-term, transactional and output-based funding, to longer-term relational and outcomes-focused funding, where governments and service providers work collaboratively to improve service delivery outcomes. We are recommending several reforms along these lines.

- *Default contract terms of a minimum seven years*, with exceptions made for instances where shorter-term contracts would be more appropriate, such as program trials. There are some risks that will need to be managed as longer-term contracts could entrench ineffective providers in a community and act as a barrier to the entrance of new providers. Contracts should contain safeguards to allow governments to remove providers in cases where they fail to deliver an adequate standard of service despite ongoing support from government to rectify issues.
- *Funding the full costs of service delivery*, where funding takes into account the higher costs of service delivery in remote areas and other functions that support service outcomes (such as capital and infrastructure, and reporting and evaluation).
- *Funding and contracting to support capacity building* of Aboriginal organisations, where they are expected to be better placed to provide services and improve outcomes for Aboriginal communities. Partnership approaches between Aboriginal organisations and non-Aboriginal service providers should be supported by funding arrangements that include a clear succession plan and appropriate resourcing and incentives for skills transfer and capacity building over the life of the contract.

The adoption of longer-term funding arrangements will require more flexibility. Not all actions taken by a service provider can be stipulated in binding contracts, especially when dealing with complex social and cultural issues. The outcomes that matter — child safety and wellbeing — are also influenced by a range of factors outside the direct control of an individual service provider.

Governments therefore need to take a more 'relational' approach to contracting (figure 4). This involves open collaboration between purchaser (government), provider, and client (families and communities), jointly assessing progress and service outcomes to identify opportunities to improve performance and align effort with emerging priorities of children and families. Governments will need to relinquish some control over how services are delivered — resisting the urge to manage from Canberra or Darwin — and trust local staff and service providers to find the most appropriate ways to meet the needs of children and families in each community.

Figure 4 **A classical versus relational approach to contracting**

	Classical	Relational
Characteristics	• The nature of the transaction can be specified in advance • Contract has rigid terms • Discrete and short transactions (short-term contracts) • Output is easy to monitor • Contracts are more formal/legally enforceable • Risk can be defined ex ante • Less risk sharing between contracting parties • Auditing the service provider is for control • High initial transaction costs from negotiation	• Difficult to detail transaction in advance • Contract has flexible terms • Continuing transactions (long-term contracts) • Output is difficult to monitor • Contracts are less formal/likely to rely on self-enforcing mechanisms • Risks cannot be defined ex ante • More risk sharing between contracting parties • Auditing the service provider is for strategic planning • Low initial transaction costs from negotiation
Environment	• Urban setting • Purchaser requires the delivery of a discrete service • Competitive market among providers • Relationship between contracting parties is not essential for effective service delivery	• Remote setting • Purchaser requires the delivery of a wide range of services • Competitive market does not exist among providers • Relationship between contracting parties is essential for effective delivery

For example, a provider of a Territory Families-funded youth diversion service in Yirrkala could meet with officials from the Territory Families' East Arnhem regional network office regularly (say monthly, with the option for more regular meetings as required such as in the start-up phase) to discuss performance against service outcomes and identify key issues with delivery — informed by consultation with users of their service. Collectively, they can identify and resolve issues, in collaboration with regional managers or national offices if material funding changes are required.

In a relational contracting framework, future funding provides the incentives for good performance. The funder remains sufficiently informed of the realities on the ground to ascertain whether or not the provider is doing an adequate job. The provider expects that their funding will be renewed if their performance is adequate, and that they may receive expanded funding for a wider range of programs if their performance was very good.

Adopting this approach consistently across all programs and services would be resource intensive. Therefore, the level of interaction between all parties to a contract will need to be

fit for purpose. Relational contracting is best suited to funding arrangements that involve high levels of dependency between governments and providers (including where there is lack of competition) and complexity of service outcomes (and thus where a collective approach to managing risk will produce a better outcome) — each of these factors exist for children and family services, particularly in remote areas.

Reform area 3. Better, more transparent data at the community level

When used well, data can support powerful changes in communities. Governments need to make better use of data to systematically plan services and allocate funding based on needs. More transparent data on services and outcomes at the community level is needed to support the development of community plans (box 1). It is also needed for tracking and evaluating the impact of government expenditure on children and family services.

Improving information about expenditure and services in each community

In order to complete the community plans, governments will need to improve record keeping about where and what services are provided. In undertaking the expenditure stocktake for this study, we found data about what services have been funded to be particularly poor. It was not possible to accurately identify how much money was being spent in specific locations, or the services that were being provided there. We also heard that families are often unaware of the services available in their local community — meaning that such information is not necessarily a matter of 'local knowledge'.

Commonwealth and NT Government departments need to improve and harmonise the way they record information about the services they fund. In particular, they should adopt a common geographical unit for reporting where funded services are provided, and a common method for categorising the types of services they fund. This improved expenditure data could then be leveraged to identify what types of services are available in a particular town or community. The NT Government should use this data to develop a single and cohesive public children and family services list. This list (which would also require input from services providers) should include details about: the service; the provider; when the service is available (hours of operation); and how the service can be accessed (including costs of attending). At a minimum, it should cover NT and Commonwealth funded services and ideally cover all services (such as those funded by royalties or philanthropic sources).

Community level tracking of outcomes and evaluation of services

Monitoring and evaluation of children and family services is essential for tracking progress against outcomes and for facilitating continuous improvement in the design and delivery of services. It is also necessary for ensuring that governments and service providers are accountable to the community for how they use public resources. But such work is difficult,

and the context of children and family services in the Northern Territory presents significant challenges.

There is some reporting of outcomes for children and families in the Northern Territory (for example Territory Families reports against various indicators in the *National Framework for Protecting Australia's Children*), and the NT Government is developing the 'Story of our Children and Young People' which will report indicators of child wellbeing (but only at the Territory or regional level).

Lack of community-level data on the risk and protective factors relevant to child harm (including child protection data and other key health and crime indicators) makes it difficult (if not impossible) to identify in which communities children and families are in need of support. This same type of data is also needed for understanding whether outcomes are improving over time. The Commonwealth and NT Government should collect and publicly report measures of outcomes for children and families at the community level (ideally in line with the boundaries used for community planning) subject to data and privacy constraints. This is the first step to understanding the collective impact of children and family services on outcomes.

Community level tracking and reporting of outcomes should be supported by evaluation. But it is not practical or feasible to formally evaluate all children and family services or activities. Moreover, 'gold standard' program evaluations (such as use of randomised controlled trials) are in many cases not informative for children and family services in the Northern Territory. Where they are undertaken, the results should be interpreted carefully — precise impacts of the magnitude of impact cannot be estimated and findings may not be transferable or replicable in other communities. This is due to the multifaceted factors that influence outcomes, the multiple programs simultaneously directed at improving outcomes, and the rapid changes that can occur in policy and in the services being delivered.

A more practical and effective use of evaluations of children and family services is when they facilitate learning by doing and improvements in services over time. This requires monitoring and evaluation to be embedded into funding and contracting from the start, rather than as a separate process. A continuous improvement approach to evaluation would involve the collection of basic input, output and outcome metrics (such as which services are being used, how often, and users' experience with the service). These can be supported by provider-level monitoring and relational contracting.

Grant funding should include funding to run periodic surveys (potentially more than one if the contract length is more than five years) to seek community views about the functioning of the program and how it could be improved. In collaboration with local funding agency staff (as part of the relational contracting approach described above), the provider could then propose and trial any modifications to the service. As programs and services evolve through this process they would become tailored to the specific circumstances of a community.

A continuous improvement approach to evaluation can help to identify services or programs that could undergo more formal evaluations by funding agencies, particularly where there

may be scope for the service to be rolled out to other communities. Funding agencies should also draw on the findings of evaluations undertaken at the service (and community) levels to evaluate their broader funding programs and policies.

Reform area 4. Stronger supporting institutions

Stronger institutions will be needed to support the above reforms. As mentioned, governments should coordinate their funding, informed by advice of the Children and Families Tripartite Forum on funding allocations, including advice about funds pooling for particular locations or services. To support this, the Commonwealth and NT Governments should expand the terms of reference for the Forum to perform this new function.

There is also a case for strengthening institutional arrangements at a regional level to improve the planning and coordination of government services. As noted earlier, the NT Government is setting up coordination committees in each of its regions, which bring together representatives across the NT Government (including police, housing and child protection), the NIAA regional representatives, and local service providers. These entities are already up and running in some regions, such as East Arnhem.

There should be an expectation that regional representatives of both governments work together through these committees. The regional coordination committees should also take the lead in developing community plans in partnership with communities. Doing this work on a regional level would support consistency across communities with similar populations and conditions. Regional entities should also facilitate data sharing between government agencies, service providers and communities. Ensuring that regional staff have the skills, capacity and authority to fulfil these roles will be essential to the success of the coordination process. This will also require cultural change within government, so that local expertise is more highly valued.

4 Implementing the reforms

There is a significant amount of resources, motivation, and goodwill directed to children and family services in the Northern Territory, and many signs of change. Following the Royal Commission, the NT Government announced a $230 million reform package — called *Safe, Thriving and Connected: Generational Change for Children and Families* — to implement the recommendations over a five-year period. This included a raft of changes to the youth justice system and a commitment to establish 11 new Child and Family Centres. Around the same time, the NT Government introduced a new Local Decision Making policy, which would see the transfer of the delivery of some government services to Aboriginal communities over a 10-year period. Agreements have been signed with several communities and work is underway on planning some of the new Child and Family Centres.

Changes are also underway within the Commonwealth. In mid-2019, Indigenous policy was transferred from the Department of the Prime Minister and Cabinet to a new National Indigenous Australians Agency, a move the relevant Minister said 'represented a fundamental change in the way of doing business with Indigenous Australians'.

And both governments worked together to establish the Children and Families Tripartite Forum and have started discussing what a Commonwealth-NT Government coordinated funding framework might look like.

These moves are promising and there is momentum now to build on the reform efforts. But there is no question that the implementation task is hard. Child protection and Indigenous policy are both notorious for being 'wicked' policy problems — marked by complexity, uncertainty, and divergent values. In the Northern Territory, both policy areas overlap to a large extent.

There will undoubtedly be challenges implementing the reforms outlined in this draft report. Some of the challenges that will arise relate to:

- practical constraints — moving to longer and different forms of contracting while existing contractual arrangements are in place for several years, and maintaining continuity of services so as not to disrupt support for children and families
- responding to workforce issues, including shortages of skilled staff, especially in remote areas and where it can take considerable time for local people to be trained
- organisational culture (including the willingness of key players to collaborate and relinquish some control to local staff) and structural constraints arising from cross-jurisdictional differences.

These are complex but surmountable challenges, particularly if tackled incrementally, starting with more transparency and better coordination between governments on what they are funding and how they commission and work with service providers. Improvements in these areas are the predominant focus of our draft report's recommendations. And importantly, our proposals are about better use of existing funding, rather than changes in the overall level of funding. Both governments have shown a willingness to contribute significant funds to children and family services in the Northern Territory, as is clearly evident from our stocktake.

In developing the draft recommendations, the Commission has been mindful of the history of reforms to children and family services in the Northern Territory, and of how these reforms have affected families and communities. We have sought to build on existing institutional arrangements and, where possible, complement reform efforts already underway. Our proposed coordinated funding option (draft recommendation 6.1) can be implemented without the need for a fundamental realignment of responsibilities of each government. And several of our proposals draw on existing organisational architecture, including the Children and Families Tripartite Forum and each governments' regional

network (draft recommendations 6.1, 6.2, 7.3 and 7.4). Our draft recommendations are also compatible with, and support, the NT Government's Local Decision Making policy.

Unfortunately, there is a sense that many attempts to reform how governments deliver human services have been abandoned before their impacts on outcomes were known. Research undertaken for the recent review of the Australian Public Service identified a tendency for successive governments to replace the programs of their predecessors — even when the initiatives are showing signs of promise — and a reluctance on the part of politicians and public servants to learn from doing, for fear of the adverse public impact of failure. Why this is so is one of the great intractable problems of public policy. Failure occurs at a system level, in spite of the many skilled and motivated people within government. The problems are structural, and much bigger than the individual entities.

Some of our draft recommendations (such as longer contract terms) will help to commit governments to a particular course of action. But much more will be necessary. Other inquires and reports have identified strategies that can help governments in the implementation journey. Common themes include leadership, building on strengths, and transparency — with a willingness of both politicians and public servants to exercise courage, trust and patience over an extended period.

Transparency must play a central role in this regard — not just in terms of policy impacts and outcomes for children and families, but also in demonstrating to the wider community what governments have agreed to, where investments are being directed, and with what aim. The development of a joint funding framework (intergovernmental agreement) between the Commonwealth and NT Governments could be used to formalise and bolster the reforms proposed in this draft report, particularly the process by which governments will agree on what they fund (informed by community plans) and commitments to make greater use of data at the community level.

But governments do not need to wait until such a framework is in place to start the reforms. The framework itself should not be viewed as a necessary precursor to implementing the proposed reforms. Rather, it would simply be the place where agreement on reform could be publicly formalised, which would aid in transparency and accountability of funding decisions.

There also needs to be an explicit commitment by both governments to transparently report on the progress of reforms so that communities can hold governments to account — and to embed an incentive for governments to stay focused on reform. This can be supported by external oversight of reform progress, led by the NT Children's Commissioner, which should monitor and publicly report on the progress of reform.

The reforms proposed in this draft report are not our final recommendations to governments. We are seeking feedback from the community on the proposed reforms before we finalise them. Submissions in response to this draft report are welcome by 20 December 2019, with the final report due to be sent to the Commonwealth and NT Governments by April 2020.

Draft recommendations, findings and information requests

How much are governments spending on children and family services?

DRAFT FINDING 2.1

Significant funds are spent on children and family services in the Northern Territory — in 2018-19, expenditure on services directly relevant to the prevention of harm to children was about $538 million. The expenditure landscape for children and family services is complex and involves:

- nine funding agencies — five Commonwealth Government departments and four NT Government departments
- more than 500 service providers
- more than 20 funding streams, including over 700 grants.

Despite the size of this funding, expenditure data is not kept in a format that allows it to be used to inform policy.

DRAFT FINDING 2.2

It is not possible to accurately track where money is being spent in the Northern Territory. This is because:

- the location where money is being spent is not reported in a manner that is consistent between different government departments, with more than 15 different types of geographical units used to report location data
- in some cases, record-keeping about location is not sufficiently granular to allow expenditure items to be linked to specific towns or communities.

This is a barrier to understanding where money is being spent and to governments making informed and coordinated funding decisions for individual towns or communities.

DRAFT FINDING 2.3

Grants for children and family services in the Northern Territory tend to be small and given for short terms. In 2018-19:

- the median grant payment was about $225 000, with about a quarter of payments less than $100 000
- almost all grants (97 per cent) had terms of less than 5 years.

Better and more transparent data on expenditure and services

DRAFT FINDING 3.1

Record-keeping about what types of services are being funded and delivered is not standardised between and within departments. This is a barrier to tracking what services are being provided across all government departments.

DRAFT FINDING 3.2

Both the Commonwealth and NT Governments fund a broad range of children and family services, and there are many service areas where both governments are operating in the same field.

Areas of significant overlap in government funding include: services for addressing domestic, family and sexual violence; crime, justice and legal services; community development services; and sport, recreation, culture and wellbeing services.

DRAFT RECOMMENDATION 3.1 **HARMONISE RECORD-KEEPING PRACTICES**

The Commonwealth and NT Governments should work together to develop a common method for:

- reporting location data at a level of granularity that reflects service catchment areas
- describing and categorising children and family services.

This method should be adopted by all relevant government departments for the purpose of keeping records and reporting about government expenditures, as they relate to services for children and families. The improved expenditure and services data should be used by the NT Government as a basis for putting together a single and cohesive service list that covers all of the Northern Territory (draft recommendation 3.2).

INFORMATION REQUEST 3.1

The Commission is seeking feedback on what geographical unit should be used for reporting where funded services are provided. Is the concept of a 'service catchment area' a useful touchstone for choosing or designing a geographical unit? How might it be operationalised in practice?

DRAFT RECOMMENDATION 3.2 **A PUBLIC CHILDREN AND FAMILY SERVICE LIST**

The NT Government should compile and maintain a single and cohesive service list that covers, at a minimum, children and family services funded by the Commonwealth and NT Governments in the Northern Territory. The service list should be made available to the public, in a manner that allows members of the public and service providers to easily identify the services that are available in their communities.

At a minimum, the service list should contain information about:

- the type(s) of service(s) provided
- who is eligible to receive the service
- the service provider (name and contact details)
- when the service is available (days and hours of operation), including whether the service is provided on a permanent or visiting basis
- where the service can be accessed
- other requirements for attending (costs of attending, whether an appointment or booking is required).

Over time the service list could be expanded to include services funded through other means such as royalties and philanthropic sources.

Shared responsibilities are challenging but inevitable

DRAFT FINDING 4.1

In each area of children and family services, the roles and responsibilities of the Commonwealth and NT Governments are unclear and often overlap. This makes it imperative for them to work cooperatively in a coordinated way to meet shared outcomes.

Clearer roles and responsibilities would be desirable in the long term, but should not be pursued at the expense of other reforms or a more coordinated funding process.

DRAFT FINDING 4.2

In designing and funding services for children and families in the Northern Territory, there is limited coordination between levels of government (the Commonwealth and NT Governments) and within each level of government (for example, the National Indigenous Australians Agency and the Department of Social Services within the Commonwealth Government).

In terms of service delivery, service providers are often left to informally coordinate on the ground, to try to avoid duplication and better meet the needs of the community. Although numerous initiatives exist to coordinate services in specific places, these tend to be partial and fragmented, and at times overlapping.

Siloed decisions are leading to poorly targeted spending

DRAFT FINDING 5.1

The Commonwealth and NT Governments are making funding decisions about children and family services in ways that are not consistent with either the place-based or public health approaches to preventing harm to children.

Although there are pockets of good practice and improved processes emerging in some areas, it remains the case that:

- the needs of children and families in each community are not assessed in a systematic or rigorous way, and there is no holistic consideration of which services would best meet local needs and priorities
- community input into service selection and design is often belated or superficial
- there is sparse evidence for 'what works' in the NT context (and especially in remote Aboriginal communities).

The end result of these processes is that the system of children and family services in the Northern Territory is fragmented, with government expenditure poorly targeted and failing to best address the needs of children and families.

Coordinated funding underpinned by community needs and priorities

DRAFT RECOMMENDATION 6.1 **COMMUNITY PLANS AND COORDINATED FUNDING DECISIONS**

To deliver on their shared responsibility for funding children and family services in the Northern Territory, the Commonwealth and NT Governments need a new way of working together. This should include both governments genuinely engaging with NT communities, coming to a shared understanding of the issues affecting children and families, and jointly committing to solutions, with collective ownership and accountability for outcomes.

To put this new way of working into practice, the Commonwealth and NT Governments should establish a formal process to coordinate funding.

1. Both governments should collate community-level data on services, outcomes (risk and protective factors) and current expenditure on children and family services in each community.
2. The regional representatives of both governments should share the data with communities, and in collaboration with communities develop a short community plan that:
   - provides a snapshot of the strengths, needs and priority issues of children and families in the community
   - gives the community a voice about which children and family services they would like to retain, change or replace.

   The regional representatives should provide the community plans to the Children and Families Tripartite Forum, together with a summary of overall expenditure, headline data and any other relevant information for each region.
3. Drawing on the community plans and regional summaries, the Children and Families Tripartite Forum should provide advice to both governments about funding arrangements for children and family services across the Northern Territory, including advice about funds pooling for particular locations or services.
4. The relevant Ministers of both governments should consider the advice of the Children and Families Tripartite Forum and then agree on which children and family services each is going to fund and in which locations, and publish details of the agreed funding.

This process should be repeated as necessary, including when there are significant changes in government or community priorities, or when new funding becomes available.

INFORMATION REQUEST 6.1

Which locations or service types should be considered as priority candidates for funds pooling? How could funds pooling be best put into practice in these areas?

DRAFT RECOMMENDATION 6.2 **AN EXPANDED ROLE FOR THE TRIPARTITE FORUM**

The Commonwealth and NT Governments should expand the terms of reference of the Children and Families Tripartite Forum to include providing advice on funding arrangements for children and family services across the Northern Territory, including advice about funds pooling for particular locations or services (as per draft recommendation 6.1). The Tripartite Forum should be adequately resourced so that it can fulfil its expanded role, and should manage any potential conflicts of interest.

DRAFT RECOMMENDATION 6.3 **BETTER DATA ON OUTCOMES FOR CHILDREN AND FAMILIES**

To provide a more complete picture of the wellbeing of children and families in the Northern Territory, the Commonwealth and NT Governments should improve their data so that it is:

- outcomes-focused — seeking to measure outcomes for children and families using available child-centred indicators across all the domains of child wellbeing
- collected, tracked and publicly reported at the community level wherever possible.

INFORMATION REQUEST 6.2

What are the sensitivities involved in releasing data at the community level on risk, protective and wellbeing factors of children and families (such as statistics on child protection, police, justice, health and education)? How could these sensitivities best be managed?

Longer term, more collaborative contracting with service providers

DRAFT FINDING 7.1

Current grant funding approaches used for children and family services in the Northern Territory do not facilitate a focus on long-term outcomes and create funding uncertainty for service providers.

Grant funding for children and family services is characterised by:

- short-term funding periods
- insufficient timeframes and information about funding opportunities and renewal or cessation of grants
- insufficient funding for capital expenses required for service delivery, for capacity building, and for monitoring and evaluation.

The result is gaps in staffing and capital for service providers, and substantial time devoted to grant applications. This adversely affects the quality of services, particularly where funding gaps mean providers have to cobble together funding from various sources and manage multiple grants.

DRAFT FINDING 7.2

Competitive funding processes can provide benefits, in terms of lower costs and improved service quality, but they are not suited to all circumstances. Where there is an inadequate number of potential providers (markets are 'thin') or the economic costs and benefits of a service are difficult to quantify, competitive processes may:

- disadvantage small, community-based and Aboriginal organisations that are trusted by, and may be better able to meet the needs of, communities
- create disincentives for collaboration between providers who are competing for a limited funding pool and the same service user group
- lead to a disproportionate focus on price over quality, and take insufficient account of the longer-term benefits of community-based service providers (such as cultural competence and trust of communities).

DRAFT RECOMMENDATION 7.1 **INCREASING CERTAINTY IN FUNDING**

The Commonwealth and NT Governments should set service contracts such that they provide adequate time and resources for service providers to establish their operations, and improve service quality and outcomes.

- Default contract lengths for children and family services should be set at a minimum of seven years.
- Funding should cover the full costs of providing children and family services in the Northern Territory (taking into account the higher costs of delivering services in remote areas, capital investments needed to support service delivery, and the cost of monitoring and reporting on service delivery outcomes).

Where exceptions to default terms are applied, for instance for program trials, agencies should publish a justification of why an exception was made. Pilot programs will be expected to have shorter initial terms, but contracts for such programs should include a contingency for long-term funding if the pilot is found to be successful.

Contracts should also contain adequate safeguards to allow governments to remove providers in cases where they fail to deliver an adequate service despite ongoing support from governments to rectify issues (draft recommendation 7.3).

DRAFT RECOMMENDATION 7.2 **INCREASING CERTAINTY IN THE CONTRACTING PROCESS**

To reduce uncertainty in funding of children and family services, the Commonwealth and NT Governments should:

- publish a rolling schedule of upcoming funding opportunities over (at least) the next twelve months
- allow sufficient time (a default of three months) for providers to prepare considered responses, including the development of integrated bids across related services
- notify providers of the outcome of funding processes in a timely manner, well in advance of the end of the existing contract.

DRAFT RECOMMENDATION 7.3 **A RELATIONAL APPROACH TO CONTRACTING**

The Commonwealth and NT Governments should adopt a relational approach to contracting, in which governments, service providers and communities work collaboratively towards shared outcomes. A relational contracting approach would involve:

- governments and service providers engaging in collaborative, regular reviews of service outcomes (after consulting users of the service) to assess progress against user needs, with continuous improvement and adaptation of services when required
- regular reviews that are proportionate to the dependency between governments and providers — for example, more regular reviews where there is lack of competition — and where the risk and complexities associated with the service are high
- management of the relationship with service providers at the local or regional level, using existing regional network staff and infrastructure already in place. Governments should ensure that regional network staff have the skills, capacity and authority to make independent decisions on minor changes to service delivery, and in consultation with head offices when more substantial changes are required.

DRAFT RECOMMENDATION 7.4 **AN EXPANDED ROLE FOR REGIONAL NETWORKS**

The Commonwealth and NT Governments should ensure that their regional networks have the skills, capacity and authority to:

- undertake community planning and provide advice to the Children and Families Tripartite Forum (as per draft recommendation 6.1)
- adopt a relational approach to contracting at the local or regional level (as per draft recommendation 7.3).

DRAFT RECOMMENDATION 7.5 **TRANSITION TO ABORIGINAL CONTROLLED SERVICE DELIVERY**

When commissioning children and family services primarily targeting Aboriginal and Torres Strait Islander people, the Commonwealth and NT Governments should ensure that service providers have the capacity to deliver physically accessible and culturally appropriate services.

- Funding decisions should take into account the characteristics and capabilities of providers (such as their cultural competence and connection to communities) and their ability to deliver improved outcomes. To support this, grant rules and guidelines should be adapted where necessary.
- Where an Aboriginal Community Controlled Organisation (ACCO) is expected to deliver better outcomes for children and families over the longer term, but lacks the capacity to effectively deliver services, the Commonwealth and NT Governments should engage non-ACCO service providers to partner with them, with funding agreements outlining a clear succession plan over defined timeframes and appropriate resourcing and incentives for building the capacity of the ACCO to deliver services.

Evaluation to build the evidence base and drive continuous improvement

DRAFT FINDING 8.1

Performance monitoring and reporting on children and family services occurs at many levels, but the quality and use of performance information is inconsistent. In general, performance monitoring of children and family services is:

- compliance-focused, mainly reporting on service outputs and tertiary level activities, such as delivery of statutory child protection services
- undertaken at a national, regional or agency level.

The current approach does not enable monitoring of outcomes for children and families at the community level. Better data on outcomes for children and families at the community level (draft recommendation 6.3) is needed as a first step in identifying the impact of the service *system* on outcomes.

INFORMATION REQUEST 8.1

How could the reporting burden be reduced for service providers that receive multiple grants from different funding agencies? Should providers only have to report to one funding agency? For example, should a 'lead agency' receive a unified report covering all reporting obligations for the children and family services the provider has been funded for in that jurisdiction? What other options are there to reduce reporting burdens?

DRAFT FINDING 8.2

Evaluation of children and family programs in the Northern Territory is challenging.

- Formal quantitative program evaluations of high scientific reliability (such as randomised controlled trials) will often not be informative for children and family services in the Northern Territory. This is because of the multifaceted factors that influence outcomes, the multiple programs simultaneously directed at affecting outcomes, and the rapid changes that can occur in the programs being delivered.
- Results of formal program evaluations (that seek to measure the impact of programs on outcomes) need to be interpreted carefully. Given that the mix of other programs varies by community in a non-random way, only rough conclusions about a program's impact can be drawn — precise magnitudes of impact cannot be estimated.
- Informal evaluation, embedded into the design and delivery of programs from the start, helps to facilitate learning by doing and continuous improvement. An informal evaluation approach (that employs monitoring and assessment of basic program metrics, including through the use of user surveys) is likely to be suited to many types of children and family services in the Northern Territory.

DRAFT RECOMMENDATION 8.1 **BUILDING THE EVIDENCE BASE THROUGH EVALUATION**

The Commonwealth and NT Governments should embed requirements (and appropriate resourcing) for monitoring and evaluation into contracts for children and family services where:

- the service lacks an existing, relevant and context-specific evidence base
- the service is expected to be adapted over time (for example, because the exact inputs and outputs of the program may not be known in advance).

At a minimum, funding should support the use of an evaluative approach that facilitates learning by doing and continuous improvement in services (draft finding 8.2). This should include funding to run periodic surveys that seek to understand user experience and community views on the functioning of the service and how it could be improved. This is an important complement to the collection and reporting of data on outcomes for children and families at the community level (draft recommendation 6.3).

Governments should prioritise and fund more formal, rigorous evaluations for programs or services that:

- involve a high level of expenditure and risk, or that cover a large number of children and families
- have been introduced in communities where there have not been significant changes in policies or other programs (to enable reasonable attribution of the impact of the program on outcomes).

Implementation and oversight of reform progress

DRAFT RECOMMENDATION 9.1 **AN AGREEMENT ON COORDINATED FUNDING**

The Commonwealth and NT Governments should negotiate an agreement for a coordinated funding framework for services relating to children and families in the Northern Territory.

This framework should include:

- the mechanism by which governments will agree on how they will coordinate funding (including any pooling of funds) in line with the needs and priorities of children and families, as outlined in community plans (as per draft recommendation 6.1)
- the institutional arrangements for enacting this coordination, including the role of the Children and Families Tripartite Forum and the NT Children's Commissioner (as per draft recommendations 6.1 and 9.2)
- a commitment to transition to longer-term contracting and a relational approach to engaging with service providers (as per draft recommendations 7.1 and 7.3)
- criteria to guide the selection of service providers and partnerships between Aboriginal and non-Aboriginal providers (as per draft recommendation 7.5)

The coordinated funding framework should be developed in consultation with the Children and Families Tripartite Forum and with community representatives in the Northern Territory.

DRAFT RECOMMENDATION 9.2 **INDEPENDENT OVERSIGHT OF REFORMS**

The NT Government should task the NT Children's Commissioner (and its future replacement in the Commission for Children and Young People) with ongoing monitoring and public reporting on the progress of reforms to children and family services in the Northern Territory. This should include reporting annually on the progress of:

- implementation of the recommendations of the Royal Commission into the Protection and Detention of Children in the Northern Territory
- implementation of the recommendations of this Productivity Commission study.

Where Commonwealth services or funding are involved, the Commonwealth Government should proactively assist the NT Children's Commissioner.

1 About this study

This is a study about government expenditure on children and family services in the Northern Territory. It focuses on funding arrangements for services and programs that are relevant to the prevention of harm to children, and examines ways to improve those funding arrangements to support better outcomes for children, families and the community.

1.1 Background to the study

The Royal Commission into the Protection and Detention of Children

The terms of reference for this study originated from the Royal Commission and Board of Inquiry into the Protection and Detention of Children in the Northern Territory ('the Royal Commission'). The Royal Commission was established in the days following the airing of an episode of the ABC's *Four Corners*, 'Australia's Shame', in July 2016, which included footage of the mistreatment of children in detention in the Northern Territory. The scope of the Royal Commission encompassed both the youth detention and child protection systems.

On 17 November 2017, the Royal Commission delivered its final report, which found systemic failures in the youth detention and child protection systems. It made 227 recommendations for addressing those failures — ranging from the philosophy underpinning the child protection system, to the management of detention centres, to the maintenance of adequate data systems (RCPDCNT 2017).

The Royal Commission found that funding and expenditure in the area of children and family services is not rigorously tracked, monitored or evaluated to ensure that it is appropriately distributed and directed (RCPDCNT 2017, vol. 1). It identified a need for greater coordination and transparency of government funding decisions and recommended that the Productivity Commission:

> … undertake a review and audit of Commonwealth expenditure in the Northern Territory in the area of family and children's services relevant to the prevention of harm to children. The review should address co-ordination of programs, funding agreements and selection of service providers, service outputs and evaluations. (RCPDCNT 2017, vol. 1, p. 237)

On 14 March 2019, the Australian Government announced that the Productivity Commission would undertake a study about expenditure on children and family services in the Northern Territory (Landry 2019). The study commenced on 1 April 2019.

The Northern Territory faces unique circumstances

There are unique challenges associated with the provision of children and family services in the Northern Territory. Compared to other Australian jurisdictions, the Northern Territory has a significantly higher proportion of its population living in remote areas. Other than the Darwin region, all of the Northern Territory is classified as 'remote' or 'very remote', and just under half (45 per cent) of children in the Northern Territory live in these areas (ABS 2019c). Providing services to remote areas is costly and, coupled with the difficulty of attracting and retaining staff, it can be difficult to sustain service delivery over long periods of time.

The share of Indigenous people in the Northern Territory's population is the largest of any State or Territory, and about 42 percent of (the 63 000) children living in the Northern Territory are Indigenous (SCRGSP 2019). This means that the need for flexible and culturally capable services — including services that appropriately deal with issues of intergenerational trauma and reflect the specific needs, strengths and aspirations of Indigenous communities — is particularly acute. But it also presents opportunities to build on the cultural foundations and strengths of Indigenous communities when designing and delivering services.

Families and children in the Northern Territory also face higher rates of socioeconomic disadvantage, compared to other Australian jurisdictions. About 27 per cent of children in the Northern Territory live in areas with high levels of socioeconomic disadvantage (ABS 2019c). In general, the wellbeing of children encompasses a range of domains, including cultural identity, health, housing, knowledge and skills, and safety and security (CatholicCare NT, sub. 7, p. 3). But, in the Northern Territory, the risk of harm to children is exacerbated by a higher prevalence of other risk factors, including: living in households facing poverty, malnutrition, unemployment, overcrowding or unstable housing; mental health issues; substance abuse; and family violence. For example, in 2016 approximately 12 per cent of children in the Northern Territory were living in unsuitable housing, almost 12 times the national average (ABS 2019c). The incidence of overcrowding in public housing is also highest in the Northern Territory, at about 7% in 2018 (AIHW 2019b). Overcrowding has been linked to poor development, health and economic outcomes (AIFS 2019a; Shelter 2005), and has been demonstrated to leave children vulnerable to sexual abuse (Cant et al. 2019).

Together, these factors have contributed to poorer opportunities and outcomes for children in the Northern Territory (box 1.1). As the Royal Commission observed:

> [T]here are many children in the Northern Territory whose life opportunities are compromised by a complex layering of pervasive disadvantage, poverty and overcrowding, poor parental mental health, substance misuse and family or community violence. (RCPDCNT 2017, vol. 3B, p. 166)

The experience of Aboriginal children, in particular, is shaped by a unique set of cultural and historical factors. In particular, 'intergenerational trauma stemming from the results of

colonisation (including policies mandating the forced removal of children) [is] a key factor driving the overrepresentation of Aboriginal children and young people in out-of-home care and youth detention in the NT' (NMHC, sub. 17, p. 2).

Box 1.1 Child protection and youth justice in the Northern Territory

In 2017-18, of the 63 000 children in the Northern Territory, nearly 7400 received child protection services (that is, they were the subject of an investigation of a notification, on a care and protection order, or in out of home care). About half of the substantiated cases of harm to children related to neglect. Moreover, children in the Northern Territory are four times more likely than Australian children overall to receive child protection services and twice as likely to be in out-of-home care.

Indigenous children are vastly overrepresented in child protection systems in all jurisdictions, including the Northern Territory.

- They are six times more likely than non-Indigenous children in the Northern Territory to receive child protection services and 11 times more likely to be in out-of-home care. The Royal Commission received evidence that about half of Indigenous children in the Northern Territory will be the subject of at least one child protection notification by the time they are 10 years old.
- Rates of young people (aged under 18) in the Northern Territory under youth justice supervision are higher than in any other jurisdiction, and Indigenous young people are 63 times more likely than non-Indigenous young people to be in youth detention.

Other evidence shows that deaths from intentional self-harm by children are significantly higher in the Northern Territory than anywhere else in Australia.

Sources: AIHW (2019a); RCPDCNT (2017); SCRGSP (2019).

Taken together, the unique circumstances of the Northern Territory make the task of designing an effective and cohesive system of children and family services a complex and challenging one. They could also justify the adoption of a unique approach to service funding and provision in that jurisdiction.

> Program service provision in the Northern Territory must be afforded unique and exceptional status. Distance, demographics and disadvantage underpin the experience of program provision across the Territory. With significant distance and infrastructure challenges, entrenched disadvantage and intergenerational trauma, and a proportional Indigenous population that exceeds all other Australian states and territories, this is a unique community sector working environment. (CatholicCare NT, sub. 7, p. 3)

Previous inquiries into the protection of children

Much work has already been done on what governments could do better in relation to child protection, youth justice and the provision of children and family services. Over the past decade, there have been multiple reviews focused on the Northern Territory alone, including the *Little Children are Sacred* report on the sexual abuse of children (BIPACSA 2007), the *Growing Them Strong, Together* report on the child protection system (BICPSNT 2010), and

the Royal Commission's report on the protection and detention of children (RCPDCNT 2017).

Together, these inquiries made hundreds of recommendations for how to improve outcomes for children in the Northern Territory. Most recently, the Royal Commission recommended a broad-ranging suite of reforms and set out a blueprint for system-wide change (box 1.2). Many of those reforms echoed recommendations made in earlier inquiries.

Box 1.2 **Key recommendations from the Royal Commission**

The central elements of the suite of reforms recommended by the Royal Commission are:

- developing a 10-year Generational Strategy for Families and Children for addressing child protection and the prevention of harm to children
- establishing a network of at least 20 Family Support Centres that provide integrated services at a local level
- adopting a public health approach to addressing the problem of child abuse and neglect — that is, shifting the focus from statutory responses to prevention and early intervention
- carrying out prevalence, needs, service mapping and service referral studies to gather information about the needs of children and families, and what services are currently available
- better coordination and engagement through:
  - the establishment of a Tripartite Forum with representatives from the Commonwealth Government, Northern Territory Government and community sector to better coordinate and advise on policy for young people in the youth justice and child protection systems
  - the establishment of a joint funding framework between the Commonwealth and NT Governments, to set policies for an agreed approach to the planning, funding and delivery of services for families and children in the Northern Territory
- improving oversight and reporting, including through the establishment of a Commission for Children and Young People which would have statutory responsibility for all children in the Northern Territory (not just those deemed vulnerable).

The Royal Commission also recommended that both the Commonwealth and NT Governments commit to a place-based approach to implementing its recommendations in partnership with local communities, and to reach agreement on the strategies, policies and programs needed to provide sustained positive outcomes for children and young people in each 'place'. The broad terms of these partnerships are to be based on immediate engagement with Indigenous community representatives, and to reflect a range of principles including the best interest of the child, local decision making, and shared responsibility and accountability.

Source: RCPDCNT (2017).

1.2 What is this study about?

A persistent theme across previous inquiries is that there are systemic problems with how children and family services are being funded in the Northern Territory. These problems include a lack of rigorous tracking of how funding was being spent or the outcomes achieved,

duplication between service providers, a lack of coordination between the Commonwealth and Northern Territory Governments, and the failure to build the capacity of communities to manage and provide services locally.

In particular, the Royal Commission reported that:

- neither the NT Government nor the Commonwealth Government maintained a centralised list of child protection or youth justice services, or was able to provide a complete list on request
- government funds were directed to programs without consideration of the existence of other programs, their target locations or outcomes, and in the absence of a clear coordination framework for funding by each level of government
- many remote communities are contending with dozens of different programs delivered by a myriad of government agencies and contracted service providers
- many programs do not appear to have been evaluated against their intended outcomes
- consultation and engagement with affected Indigenous communities has generally been absent in all levels of program design and service implementation
- there has been an emphasis on delivering services to Indigenous communities, rather than by or with those communities.

Ultimately, the Royal Commission found:

> … the underlying problem is not the level of overall funding but that Commonwealth and Northern Territory Government investment is not rigorously tracked, monitored or evaluated to ensure that it is appropriately distributed and directed. Value for the money expended cannot be demonstrated. (RCPDCNT 2017, vol. 1, p. 40)

As a result, it recommended the establishment of a joint funding framework between the Commonwealth and NT Governments, to set policies for an agreed approach to the planning, funding and delivery of services for children and families in the Northern Territory.

What has the Commission been asked to do?

Against this backdrop, the Australian Government asked the Productivity Commission to examine ways to improve funding arrangements across and within the Commonwealth and NT Governments and the services delivered via these funding arrangements. Specifically, the Commission was asked to consider:

- the objectives, governance and implementation of current funding arrangements, including:
  - the extent of duplication and lack of coordination across Commonwealth and NT Government funding arrangements, individual programs and service providers
  - whether the approach to program design aligns with policy objectives
  - the approach to engaging service providers and allocating funds

  - accountability, reporting and monitoring requirements for service providers and governments
  - levels of access to services and approaches to service delivery
- principles and approaches for governance and funding to promote better outcomes and improve:
  - the coordination of funding across the Australian and NT Governments
  - the coordination, funding, design and administration of programs
  - the delivery of services and levels of access.

As such, this study is intended to support the development of a joint funding framework and provide guidance on what a funding framework should look like. That is to say, the focus of this study is on improving decision making about *how* — rather than *how much* — money is spent. The terms of reference also stipulate that the way in which the Northern Territory's expenditure is assessed for the purposes of distributing Goods and Services Tax revenue (and how its actual expenditure compares to that assessment) were not to be considered as part of this study.

Other Productivity Commission work

This study complements other Productivity Commission work that is currently in train, and which touch on aspects of children and family services.

- In its role as the Secretariat for the Steering Committee for the Review of Government Service Provision, the Commission is responsible for performance reporting across a range of government service areas, including child protection and youth justice (SCRGSP 2019). It also has responsibility for reporting in relation to Indigenous expenditure and Overcoming Indigenous Disadvantage (SCRGSP 2016).
- To complement this work, the Commission is also undertaking an investigation of 'what works' for systems that enable a public health approach to protecting children (PC 2019b).
- In April 2019, the Commonwealth Government asked the Commission to develop a whole of government evaluation strategy for policies and programs affecting Aboriginal and Torres Strait Islander Australians, to be used by all Commonwealth Government agencies (PC 2019a). This work will be provided to the Government by July 2020. The terms of reference for the present study also cover accountability, reporting and monitoring requirements, which includes aspects of evaluation.

1.3 Our approach to the study

There are many essential ingredients for a well-functioning system for children and family services. One of these is sound arrangements that govern and inform how governments

decide what services and programs to fund, which is the focus of this study. In exploring how those funding arrangements can be improved, this report seeks to answer the following questions.

1. *What does the current landscape look like?* The first part of this report is about understanding whether it is possible to track what money is being spent and what services are being provided, by whom and where. To this end, the Commission undertook a stocktake of expenditure on children and family services relevant to the prevention of harm to children in the Northern Territory (chapter 2). Chapter 3 examines the services that are provided with that funding, and considers the extent to which it is possible to trace the path from expenditure to services, and then to users.
2. *How do governments decide what services to fund?* The second part of this report is about decision-making: how governments currently decide what services to fund. Chapter 4 considers how stated objectives and outcomes, and shared roles and responsibilities, affect those decisions. Chapter 5 considers decision-making processes — including what the informational inputs to those processes are (such as evidence about effectiveness, the level of need, and community preferences).
3. *How can government funding decisions be improved and better coordinated?* Chapter 6 focuses on how governments can better work together, and explores options for improving coordination of funding decisions. Chapter 7 is about how governments can work better with service providers, through improvements to funding and contracting arrangements. Chapter 8 discusses the need for improved monitoring and evaluation to inform future funding decisions. Chapter 9 outlines a way forward and discusses some of the challenges of implementing reforms.

Ultimately, the objective of this study is to support government efforts to achieve better outcomes for children, families and the community. As such, the recommendations in this report are designed to complement and build on the work of the Royal Commission and, to the extent possible, capitalise on and bolster reform efforts that are already underway in the Northern Territory and across Australia. The core elements of these reform directions that underpin the recommendations in this study are discussed below.

A public health approach to preventing harm to children

Over the past decade, governments across Australia have been moving towards a public health approach to preventing child abuse and neglect. This entails placing a greater emphasis on prevention and early intervention, so that less reliance is placed on acute or reactive responses. In the context of child protection and welfare, a public health approach entails addressing the underlying risk factors that increase the likelihood that a child will

experience abuse or neglect, or where problems do occur, to intervene as early as possible to minimise harm (PC 2019b).[1]

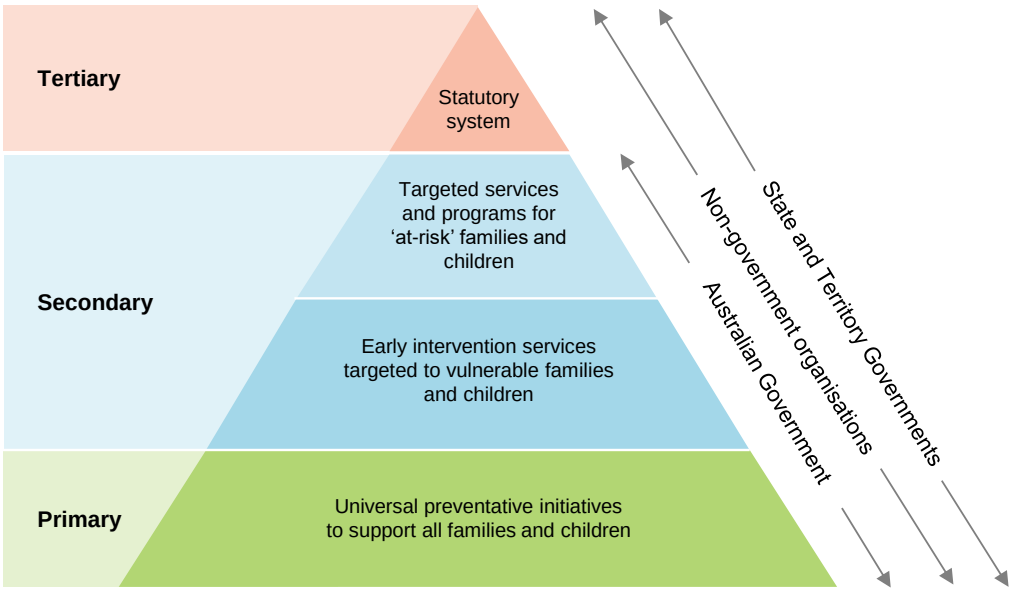
This is done through the provision a mix of universal (primary), early intervention (secondary) as well as statutory (tertiary) services (figure 1.1, table 1.1). As NAPCAN said:

> There are different stages of prevention: primary (or universal), secondary (or targeted), and tertiary (or crisis). Primary prevention is focussed on the protective factors to reduce the risk of abuse and neglect, whereas secondary and tertiary prevention has a focus on the risk factors that increase the likelihood of abuse and neglect occurring. (sub. 19, p. 1)

This requires decision-makers to be cognisant of the many factors that feed into the wellbeing of children — including cultural identity, health, housing, knowledge and skills, and safety and security (CatholicCare NT, sub. 7, p. 3) — and the need to ensure access to core services (RCPDCNT 2017, vol. 3B, p. 194). It also means pursuing prevention and early intervention where possible, but recognising that not all risks can be eliminated, and thus statutory responses will always need to be present in any child protection system.

> A public health approach does not pit early support against statutory child protection: 'it is not an either/or equation'. Both should sit by side and interact effectively in ways to create multiple pathways for families. (RCPDCNT 2017, vol. 3B, p. 198)

Figure 1.1 **The public health approach to protecting children**



Source: Adapted from COAG (2009, p. 8).

[1] The public health approach is based on techniques that have long been used to tackle infectious diseases within a population, especially where infection rates and patient outcomes are influenced by a range of complex social, cultural, environmental and economic factors. The approach also reflects the old adage that 'prevention is better than cure'.

Table 1.1 **Examples of services relevant to protecting children**

Service type	*Examples*
Statutory (tertiary)	Child protection services, out-of-home care services, youth justice
Targeted (secondary)	Intensive family support services, adult mental health services, drug and alcohol services, domestic violence support, safe houses
Early intervention (secondary)	Disability support services, speech therapy, financial counselling
Universal (primary)	Early childhood education, schooling, family health services, mental health services

Sources: Allen Consulting Group (2008); Parton (2010).

The commitment of governments to the public health approach was articulated in the *National Framework for Protecting Australia's Children 2009–2020* (COAG 2009, p. 7). In the context of the Northern Territory, a public health approach to child protection was extensively outlined in 2010 by the Board of Inquiry into the Child Protection System in the Northern Territory (BICPSNT 2010, p. 19). While the NT Government was initially committed to implementing those recommendations, those efforts did not come to fruition. Again in 2017, a public health approach was recommended by the Royal Commission as one of the core elements of its proposed approach to child protection (RCPDCNT 2017, vol. 1, p. 37).

A public health approach to the safety and wellbeing of children also found wide support from participants to this study (for example, Anglicare NT, sub. 8; Danila Dilba Health Service, sub. 22). There is a strong case for the adoption of a public health approach in the Northern Territory, because such a wide range of factors feed into the circumstances of disadvantaged children (as discussed above).

> Improving outcomes for vulnerable and disadvantaged children and families requires a comprehensive response that addresses underlying causes. There is no single cause of child abuse and neglect. The harms that children incur result from a mixture of complex dynamics that exist at and between the level of the individual, family, community and society. (AMSANT, sub. 20, p. 10)

An essential feature of the 'new public health approach' recommended by the Royal Commission is that targeted and early intervention services work together, rather than as a patchwork of services that operate in isolation. At its core, this report is about addressing the current lack of coordination in funding children and family services in the Northern Territory. It looks across all tiers of services, but with a particular emphasis on early intervention services, where improvements in coordination are likely to yield the greatest gains in terms of enhancing the safety and wellbeing of children.

This report considers how governments make decisions about what to fund, with a view to determining if these processes facilitate an appropriate mix of primary, secondary and tertiary services. More broadly, this report also examines how institutional arrangements and coordination mechanisms can better support an integrated public health approach.

Ultimately, the problems facing children and families in the Northern Territory extend beyond the scope of children and family services considered in this study. Several participants observed that inadequate housing, poverty and hunger can undermine other programs and services — 'this is the elephant in the room' (CAYLUS, sub. 6, p. 18). As the Royal Commission noted:

> Others [witnesses] expressed their anger and frustration that poverty continues to be mislabelled as neglect, providing the basis for children and young people to be removed from their family and kin. The Commission heard unambiguously that 'If you don't tackle poverty, you're always going to be taking [Aboriginal] kids away'. (RCPDCNT 2017, vol. 3A, p. 198)

Sustained improvement in the wellbeing of children and families will therefore also require concerted policy action in a range of other domains, including community development, housing, economic security, primary health, mental health and education.

A place-based approach

Another common theme of previous inquiries is that governments need to adopt a place-based approach to the design and delivery of services and programs for families and children (box 1.3). In essence, a place-based approach involves flexible service provision to find fit-for-purpose solutions that reflect the needs of local communities. This means recognising that different communities have different histories, languages and social, political and cultural dynamics — and hence different strengths, opportunities, priorities and service needs. By its nature, a place-based approach relies on engagement between governments and the community to understand the specific issues faced by the community.

Box 1.3 Why place-based approaches?

Place-based approaches are most valuable in dealing with complex social problems — like promoting the safety and wellbeing of children — where the solutions are not established (for example, the evidence base for 'what works' in the specific context faced by the community is not well established). This is because local people, who have a better understanding of the complex problems, may be better placed to develop solutions than policymakers, who do not reside in the place or have a connection with the community. In those instances, place-based approaches are expected to improve the outcomes of services by ensuring that services funded by governments are wanted by communities and effective in improving outcomes.

By their nature, place-based approaches rely on engagement between governments — who provide funding — and the community, to understand the specific issues faced by the community. The move to placed-based identification of needs and planning could improve the efficiency of resource allocation due to the prioritisation of needs as well as the higher level of transparency and accountability to people accessing the services.

Sources: PC (2017b); RCPDCNT (2017, vol. 1).

Chapters 6, 7 and 8 discuss ways to facilitate a place-based approach to the planning, design, funding and delivery of children and family services.

In the Northern Territory, there is a range of broader initiatives underway that are designed to support a place-based approach by putting community-identified priorities at the centre of decision making. These include the NT Government's Local Decision Making Policy (box 1.4) and the adoption of the Regional Deals model (box 1.5).

The Commonwealth Government is also pursuing local decision making through other initiatives. It funds the Empowered Communities initiative, which includes a 'policy reform agenda centred on Indigenous empowerment' (Empowered Communities 2015, p. 10). The Commonwealth Government is also a participant and part funder of the Barkly Regional Deal and the Local Decision Making agreement for the Yolŋu region in East Arnhem.

Reform efforts in response to the Royal Commission

Both the NT and Commonwealth Government supported the large bulk of the recommendations directed to them in the Royal Commission's report.

The NT Government has committed $230 million over the next five years to implement the reform program described in *Safe, Thriving and Connected: Generational Change for Children and Families* — the NT Government's response to the Royal Commission's recommendations (NT Government 2018e, p. 4). This includes establishing eleven new Child and Family Centres to coordinate local service delivery, consulting with Indigenous organisations and communities to support local decision-making approaches, and making changes to the youth justice system.

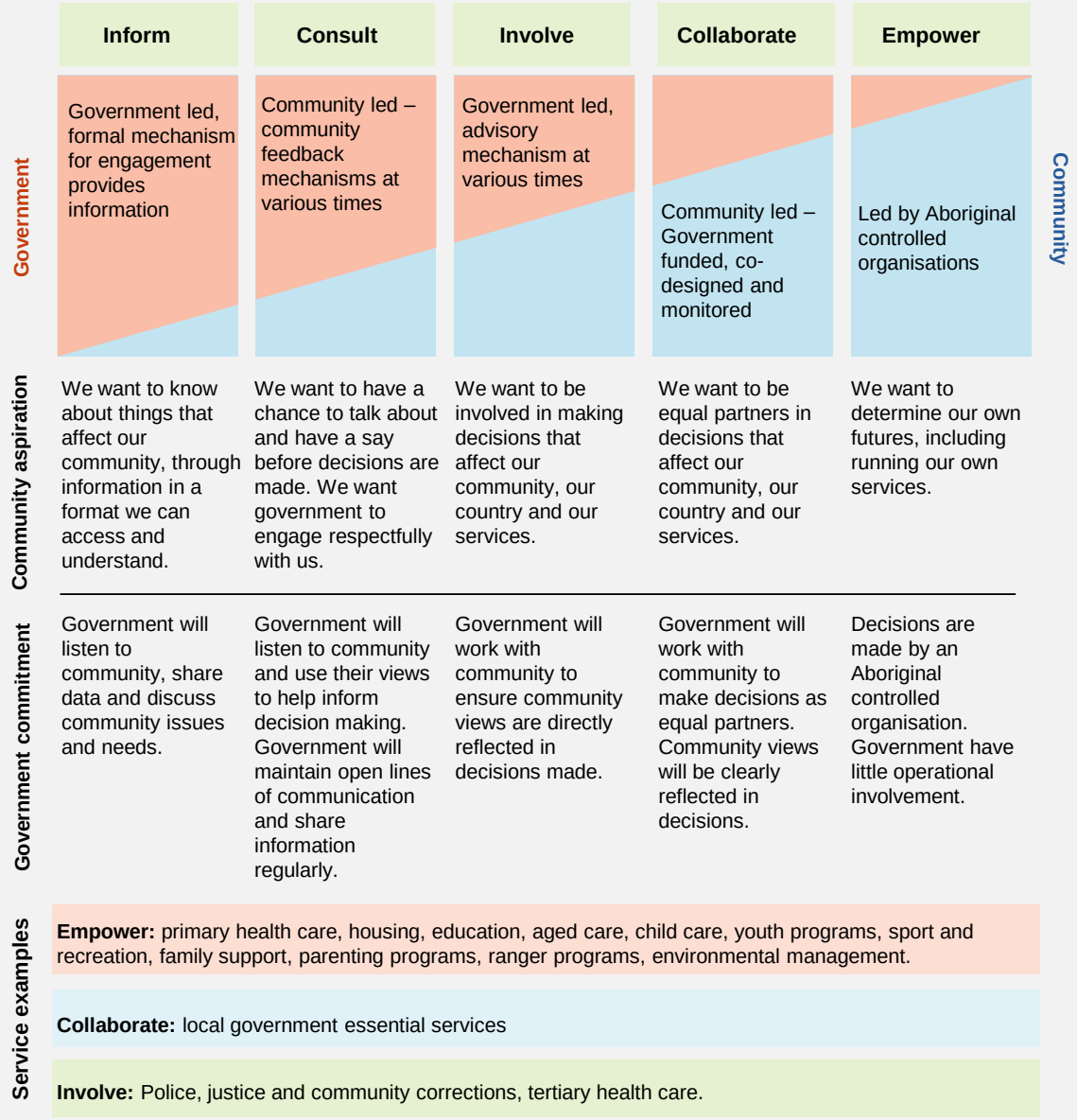
The Commonwealth Government supported in principle most of the recommendations directed to it but has yet to announce specific reforms in response to those recommendations (aside from establishing this current study). That said, reforms have been implemented in several related areas, including by the Department of Social Services, which has commenced a consultation process for identifying ways to improve its families and children funding program. And the new National Indigenous Australians Agency aims to implement a new way of working with Indigenous Australians.

Although there have been some early signs of success, some stakeholders have expressed concerns about governments' commitments to follow through on many of the recommendations (AMSANT, sub. 20, p. 4; Children's Ground, sub. 23, p. 17; Julie James Bailey, sub. 14, p. 9; NTLAC, sub. 9, p. 2). The history of reform in the Northern Territory is littered with many well-intentioned people and ideas but failed reform attempts. As discussed in chapter 9, there are many barriers to reform in this area and implementation is often difficult. Long lasting change will require commitment, leadership and collaboration from both governments and communities.

Box 1.4 The Local Decision Making Policy

In 2018, the Northern Territory Government established its Local Decision Making (LDM) Policy which aims to 'transform the relationship it has with Aboriginal Territorians in order to support self determination' (NT Government 2018d, p. 5). Under this policy, the NT Government will seek to enter into partnerships with Aboriginal communities and organisations, with the intention of giving local communities greater say in decisions about government-funded services. Local community organisations will be able to negotiate with the NT Government over how services are being delivered, and which types of services or activities should be subject to greater local control.

As depicted in the diagram below, LDM will operate on a continuum, where a community will take on more decision making responsibility where both the community and the government have the capacity to support this (NT Government 2018d, p. 18).



(continued next page)

Box 1.4 (continued)

The NT Government has outlined two approaches for implementing LDM. One approach is the adoption of LDM principles, such as transitioning a single service to community control. The more expansive approach (LDM Project Site) sees responsibility for multiple service areas delegated to a community representative organisation.

The NT Government has already entered into some agreements with Aboriginal organisations to establish Local Decision Making Project Sites, providing a glimpse of how the policy might operate in practice. An agreement has been signed with the Anindilyakwa Land Council that covers the Groote Archipelago — covering the communities of Angurugu, Alyangula, Umbakumba, Milyakburra and Anindilyakwa (ALC and NT Government 2018, p. 11). The agreement is a commitment between the ALC and NT Government to determine the necessary steps and processes to achieve local service delivery and control in priority service areas. The priority service areas outlined in the agreement include housing; economic development; law, justice and rehabilitation; education; health services and local government, with plans to move to regional control of other services in the long term.

Box 1.5 **The Barkly Regional Deal**

The Barkly region spans over 300 000 square kilometres and is home to about 7000 people, with about 3000 people living in the main centre of Tennant Creek. Approximately two-thirds of people in the region are Aboriginal. The region is one of the most socioeconomically disadvantaged in Australia; only half of adults participate in the labour market, and of those, about 25 per cent are unemployed. About one-quarter of families live in overcrowded homes.

The Barkly Regional Deal was signed in April 2019, and is a 10 year commitment between the Commonwealth Government, NT Government and the Barkly Regional Council to improve the productivity and liveability of the Barkly region. Prior to signing, representatives from all three levels of government held a number of meetings with communities in the region to hear community perspectives, priorities and ideas. Under the Deal, the governments have committed to funding a range of economic, social and cultural initiatives. This includes a commitment by all three governments to reform government funded services in the Barkly region. As part of the reform, the Commonwealth and NT Governments have committed to jointly:

- undertake an assessment of the effectiveness of current services
- explore ways to increase community involvement in the planning, design and monitoring of future services
- strengthen coordination and integration of frontline services
- adopt an outcome-based approach to service planning, delivery and performance reporting to improve accountability.

The Barkly Governance Table will oversee the implementation of the Regional Deal. The Governance Table includes representatives from all three levels of government, Aboriginal leaders, non-government organisations and other community stakeholders. The Governance Table is supported by a backbone team who provide coordination and administrative services. A number of working groups have also been established to oversee specific aspects of the Deal.

Sources: ABS (2019a); Australian Government, NT Government and Barkly Regional Council (2019a, 2019b).

1.4 Consultation for this study

This study commenced on 1 April 2019. The Commission released an Issues Paper on 15 May seeking submissions from interested parties, and received 32 public submissions in response to the Issues Paper. A list of the individuals and organisations that made submissions is provided in appendix A, and all public submissions are available on the Commission's website.

Following the release of the issues paper, the Commission met with a broad range of stakeholders, including Indigenous community groups, service providers, and government agencies and visited a number of regions and communities in the Northern Territory and other jurisdictions. Appendix A provides details.

The Productivity Commission thanks all participants for meeting with Commissioners and staff, making submissions, and providing helpful information.

Further opportunity for participation

Interested people and organisations are invited to examine and comment on this draft report by written or oral submission to the Productivity Commission. Submissions are due by 20 December 2019.

Further information on how to make a submission is included on the study webpage at https://www.pc.gov.au. The Commission will provide a final report to the Australian Government by 30 March 2020 and will publicly release the report soon after.

2 Expenditure on children and family services

Key points

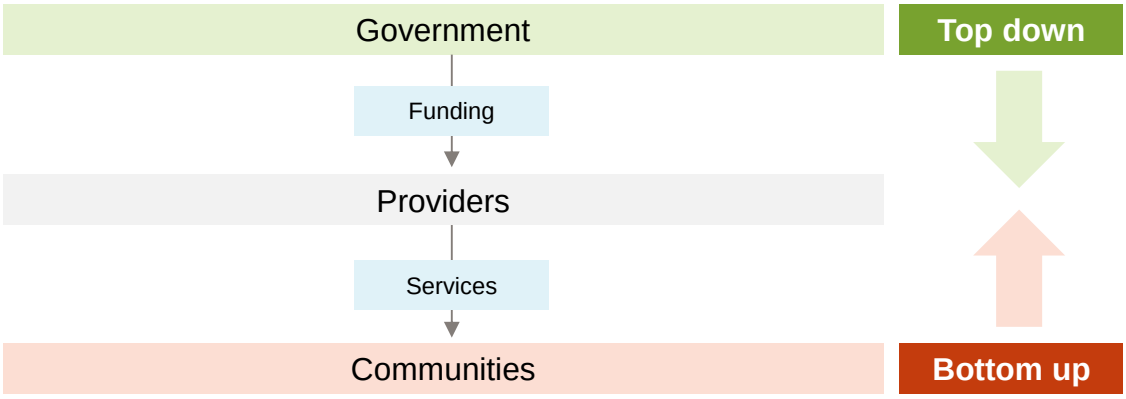
- Considerable funds are spent on children and family services in the Northern Territory — in 2018-19, the Commonwealth and Northern Territory Governments collectively spent about $538 million on children and family services relevant to the prevention of harm to children.
- The expenditure landscape is complex.
  - Expenditure spanned five Commonwealth Government departments and four Northern Territory Government departments. Coordination between departments is therefore essential.
  - Across the board, both governments funded more than 500 service providers, through over 700 grants.
- Expenditure data is not kept in a format that facilitates analysis to inform decisions.
  - Each department categorises its expenditures in its own way, which means that expenditure categories are not comparable across departments
  - The way that departments record location data is inconsistent. Often, location units were not sufficiently granular to allow expenditures to be attributed to specific towns or communities. Some expenditures were reported as covering geographical areas larger than the size of Victoria. In total, more than 15 different types of geographical units were used for reporting location data.
- Because of these data inconsistences, and limited data sharing, no department has a clear understanding of exactly where funds are being spent, and on what activities.
- About two-thirds of expenditure on children and family services is allocated through short-term grants. Combined with the complexity of the funding landscape, this means that expenditure is prone to overlap and duplication.
- Across all departments, the median grant term was 2-4 years, and a significant number (approximately 40 per cent) of grants were provided for less than 2 years. The short-term nature of grant funding is a considerable source of financial uncertainty for grant recipients.
- About a quarter of grants are small in size (less than $100 000) and many organisations cobble together several sources of funding to provide a particular service. This creates significant administrative burden and inefficiencies for providers.

This chapter explores expenditure on children and family services relevant to the prevention of harm to children. Prior to this study, there was no comprehensive data on expenditure on children and family services in the Northern Territory.

The Royal Commission into the Protection and Detention of Children in the Northern Territory found that expenditure on children and family services is not rigorously tracked (RCPDCNT 2017, vol. 1, p. 222), and as such, a holistic picture of funding is not available to decision makers. The Royal Commission recommended that that the Productivity Commission undertake a 'review and audit' of government expenditure on children and family services in the Northern Territory (RCPDCNT 2017, vol. 1, p. 237).

To help build the evidence base for the current expenditure landscape and to understand what information decision makers have available to them, the Commission undertook a stocktake of expenditure on children and family services relevant to the prevention of harm to children in the Northern Territory. In essence, the stocktake represents a top-down assessment of government (Commonwealth and Northern Territory) expenditure (figure 2.1). It draws upon data provided by the key funders of children and family services in the Northern Territory.

Figure 2.1 **The stocktake is a top-down analysis**



This chapter focuses on *expenditure*, in terms of the funding landscape (section 2.1), how much is spent by relevant Commonwealth and Northern Territory Government departments (sections 2.1 and 2.2) and seeks to examine where in the Northern Territory that money is going (section 2.3). It also takes a closer look at grant funding across departments, in terms of the size of grants, who receives the grants, and the duration of grants (section 2.4). Chapter 3 then links these expenditures to specific services, and considers issues about access to these services by children and families.

The findings from the stocktake were also used to consider how to improve funding arrangements within and across different government departments and levels of government. In addition to the evidence produced by the stocktake, the Commission considered bottom up evidence from individual service providers — drawn from consultation, submissions and case studies — the results of which are discussed in chapter 3.

The Commission's approach to the stocktake is outlined in box 2.1, including how the Commission determined the scope of the stocktake, in terms of which funding agencies and funding streams were included.

Box 2.1 The Commission's approach to the stocktake

As a first step in putting together the stocktake, the Commission undertook scoping to identify potentially relevant funding streams. As discussed in chapter 1, there is no clear definition of 'child and family services relevant to the prevention of harm to children'. Given the variation in stated objectives across different funding streams, it was impossible to formulate a one size fits all rule for what expenditures were in scope or not. For this reason, the Commission considered candidate expenditure programs on a case by case basis, with input from each of the relevant government departments to help refine the scope.

Overall, the Commission focused on tertiary (statutory) and secondary (targeted and early intervention) services for the purpose of the stocktake. In general, these tended to be services that targeted one or more of the risk and protective factors associated with child abuse and neglect, as identified by the Royal Commission (RCPDCNT 2017, vol. 3B, p. 176). Those factors include: parental mental illness, parental substance misuse, family violence, housing programs for vulnerable families, parenting skills, early childhood support, school attendance support, and maternal and infant health.

Primary services (such as universal health and education services) were excluded from the scope of the stocktake, even though these have a considerable impact on the wellbeing of children and are critical to the successful implementation of a public health approach (box 2.2). In part, this was in the interest of feasibility — but also because including those expenditures would vastly overstate the level of government expenditure relevant to the prevention of harm to children.

The Commission also limited the stocktake to expenditures for the financial year 2018-19.

2.1 A complex funding landscape

The funding landscape for children and family services is complex and involves:

- nine funding agencies — five Commonwealth Government departments and four NT Government departments
- more than 20 separate funding streams
- over 500 service providers
- over 700 grants.

This includes expenditure by three major funding departments:

- the Department of Prime Minister and Cabinet's Indigenous Advancement Strategy, which is the key mechanism for Aboriginal and Torres Strait Islander focused programs by the Commonwealth Government. The Indigenous Advancement Strategy is now managed by the National Indigenous Australians Agency

- the Commonwealth Department of Social Services' grants programs
- expenditure by Territory Families.

Figures 2.2, 2.3 and 2.4 depict how each of these three major funding streams are organised, with greater detail provided for the programs that are in scope for this study.

The Commission also considered specific activities by education and health departments which targeted vulnerable populations (table 2.1). For example, the Commonwealth Department of Education's Community Child Care Fund was included in the stocktake, as it improves access to child care centres in disadvantaged, regional and remote communities.

The broader expenditure landscape

Although the stocktake focused on children and family services relevant to the prevention of harm to children, there are many other services that also influence outcomes for children and families. This broader landscape includes non-government funded children and family services, such as those funded through non-government organisations and Aboriginal organisations using philanthropic and royalty revenue (box 2.2). For example half of Children's Ground's funding was from philanthropic sources (Children's Ground, pers. comm., 4 October 2019). There are also other expenditures, for example, local government expenditures and Northern Territory and Commonwealth government expenditures on primary services, such as universal health and education services, that influence child and family wellbeing.

Figure 2.2 **Funding under the Indigenous Advancement Strategy (Department of the Prime Minister & Cabinet)**

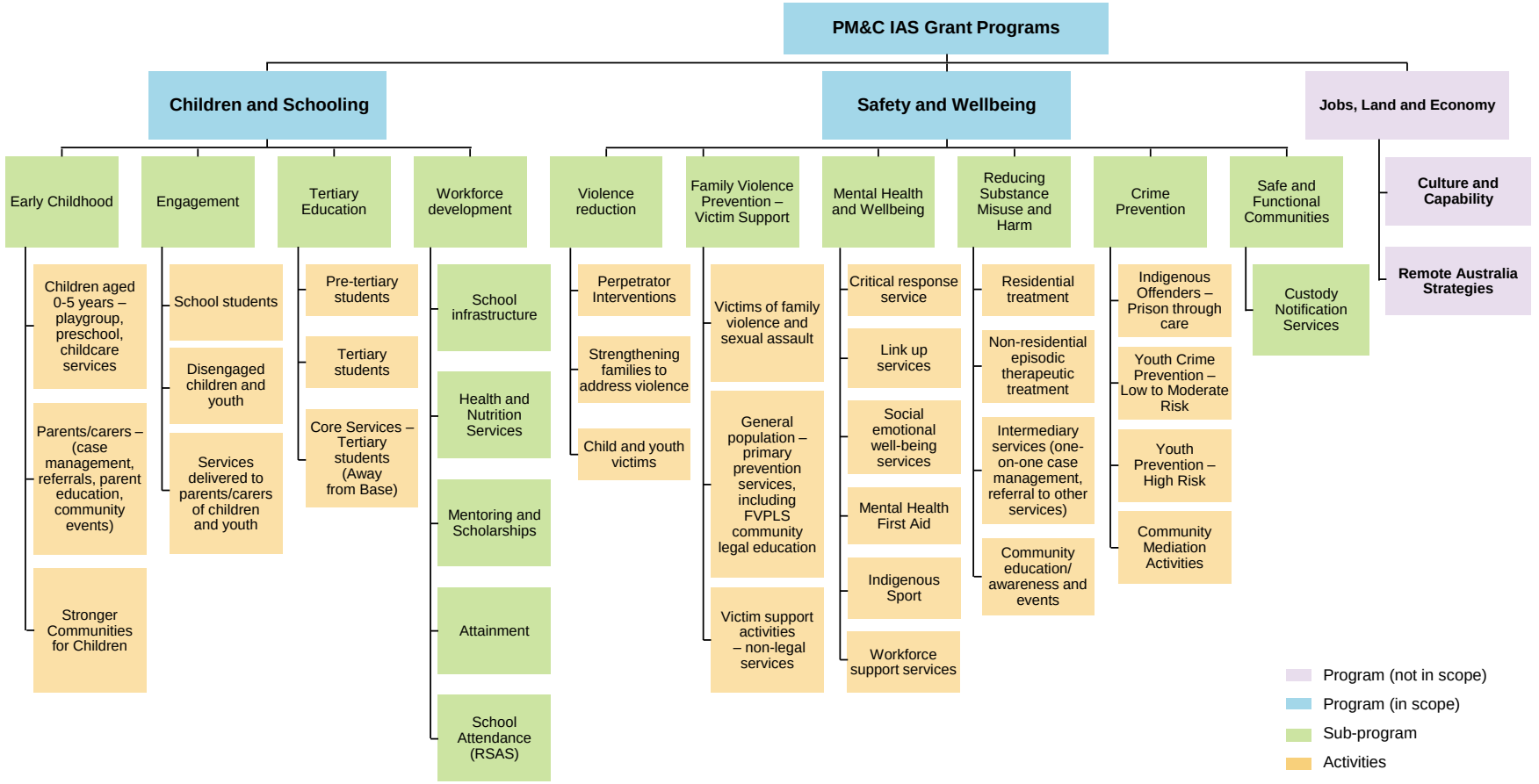


Figure 2.3 **Department of Social Services Grants Programs**

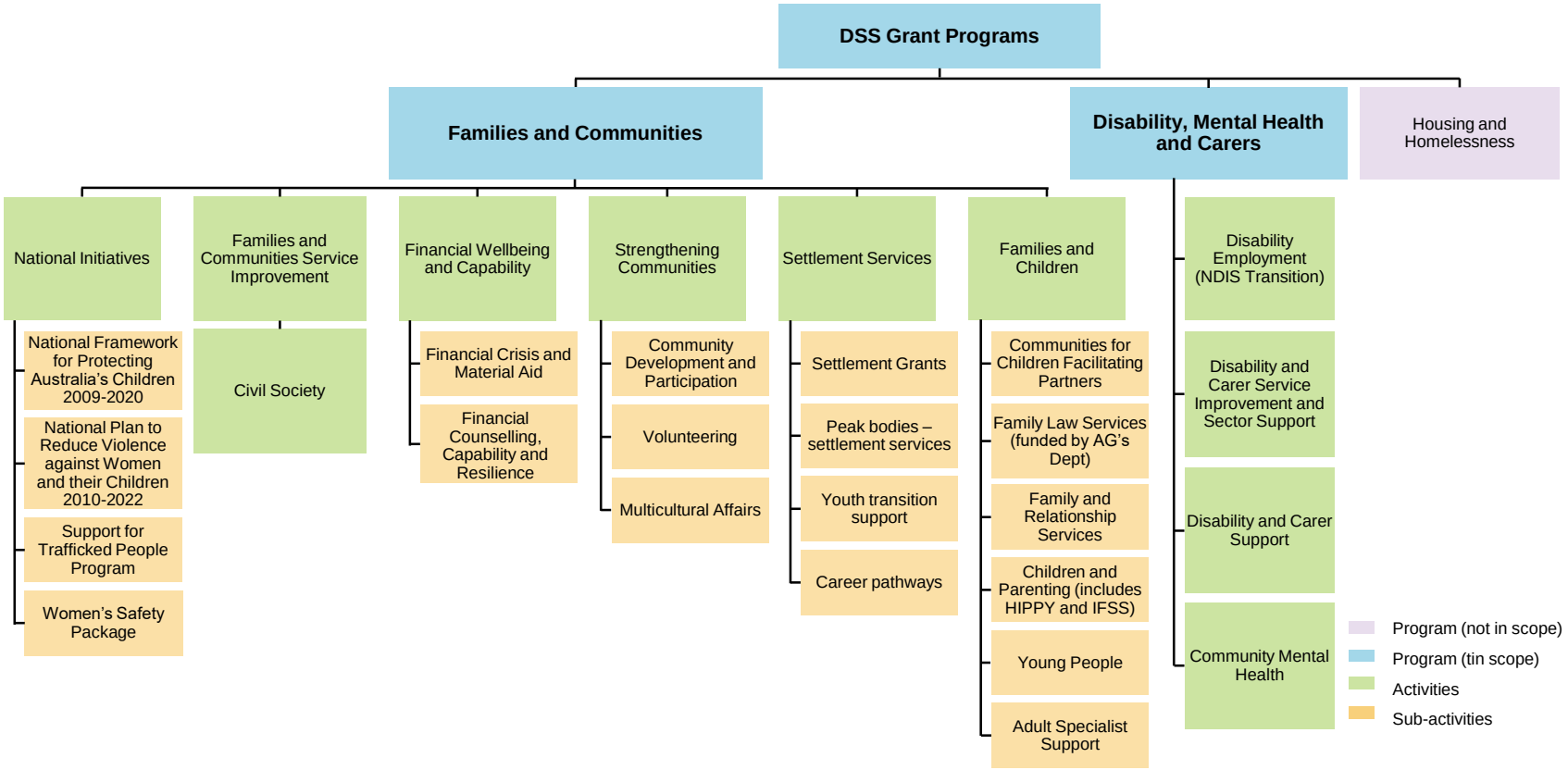


Figure 2.4 **Expenditure by Territory Families**

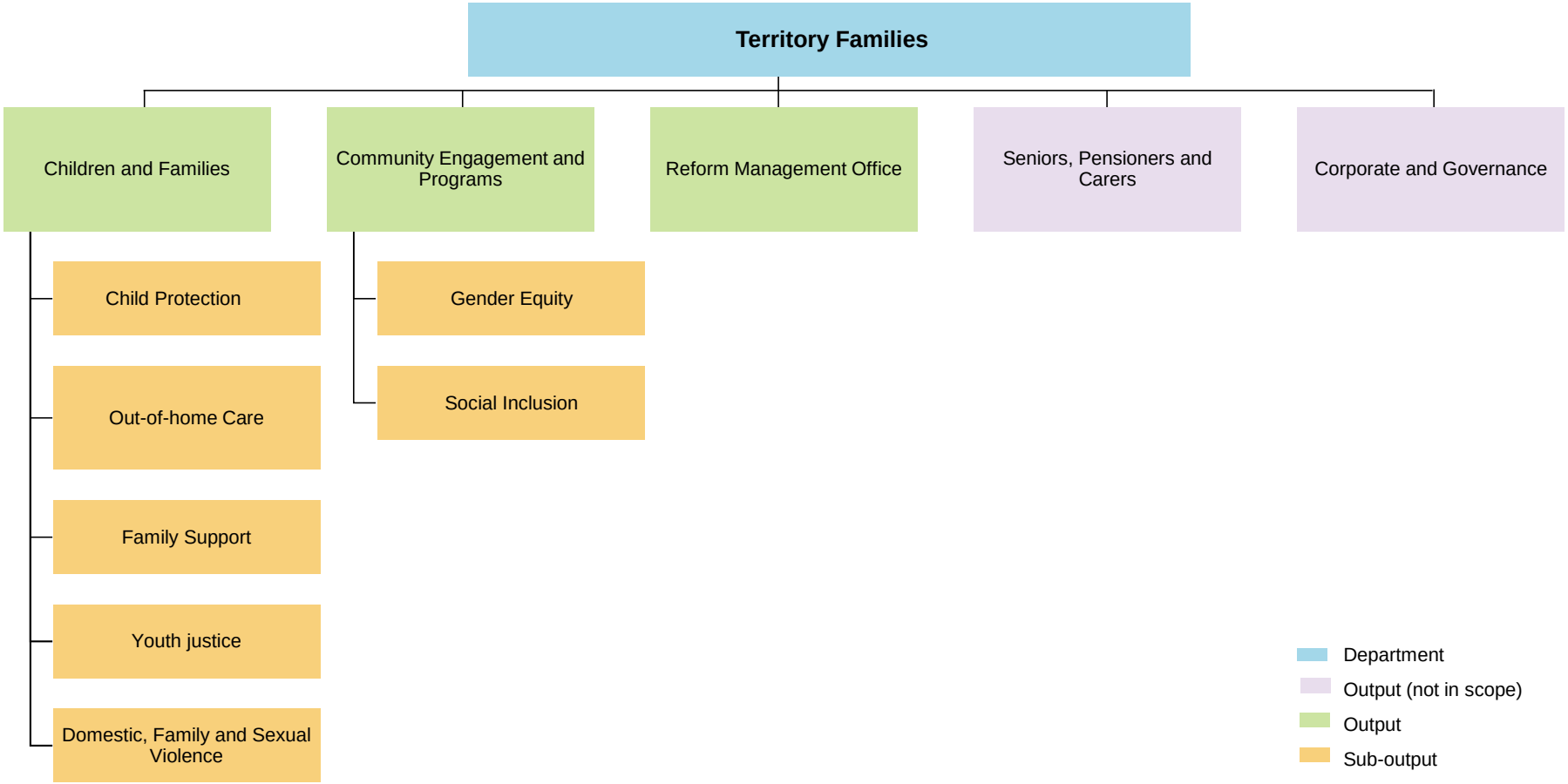


Table 2.1 **What funding streams are in scope?**

Government	*Department*	*Funding stream*
Commonwealth	Department of the Prime Minister & Cabinet	Indigenous Advancement Strategy grants, covering: • Children and Schooling • Safety and Wellbeing
	Department of Social Services	Two grants programs: • Families and Communities • Disability, Mental Health and Carers (including the National Disability Insurance Scheme Transition grant program)
	Attorney General's Department	Funding for Family Law Services, which are administered as part of the Department of Social Service's Families and Communities Program (under the Families and Children activity)
	Department of Health	• Some expenditures under the Indigenous Australians Health Program (excluding primary health care services) • Community Services Obligation for hearing services program • payments for hearing and oral health services for children under 16
	Department of Education	Grants for two activities: • Connected Beginnings • Community Child Care Fund
Northern Territory	Territory Families	Selected grants Non-grant expenditure on the following outputs: children and families; reform management office, community engagement and programs — including services acquired through panel contracts, whole-of-government contracts and fee-for-service arrangements
	Department of Local Government, Housing and Community Development	All grants relating to housing services delivery including short-term accommodation, meals and case management for children and families facing crises.
	Department of Health	Two grants programs: • Mental Health and Alcohol & Other Drugs • Maternal Early Childhood Sustained Home-visiting
	Department of Education	Expenditures relating to: • Families as First Teachers • Child and Family Centres • Early Childhood Intervention Teams • Strong Young Parents

Box 2.2 The broader expenditure landscape

Local government expenditure

There are 17 local governments in the Northern Territory, which fund and provide children and family services (Local Government Association of the Northern Territory, sub. 27). These include:

- safe houses
- community safety patrols
- outside school hours and school holidays care
- home care, home support and disability support
- youth diversion services
- substance abuse initiatives
- youth recreation activities.

Expenditure on these services is only captured in the stocktake when local governments receive grant funding from the Commonwealth or NT Governments, but it is not captured if it is funded from other sources.

Primary services

Governments spend a significant amount on primary services (such as universal health and education services), which improve the wellbeing of children and young people. For example, the Northern Territory Government spent $68 million on universal Early Childhood Education and Care services in 2017-18 (SCRGSP 2019, p. 1 of Table 3A.5), while the Commonwealth Government spent $87 million on Early Childhood Education and Care services in the Northern Territory (SCRGSP 2019, p. 1 of Table 3A.6). The NT Government also received $5 million from the Commonwealth Government through the National Partnership for Universal Access to Early Childhood Education in 2017-2018 (SCRGSP 2019, p. 1 of Table 3A.8). The Department of Education (NT) also spent $41.7 million on pre-schools in 2018-2019.

Government expenditure on these primary services is not included in the stocktake, as these services do not directly aim to reduce harm to children. The inclusion of these services would vastly overestimate the amount spent on children and family services relevant to the prevention of harm to children.

Royalty funding

Royalties also play a role in funding services in the Northern Territory, but are not included in the stocktake. At times, royalty money funds the provision of children and family services that are often funded by governments elsewhere. For example, in Yuendumu (a remote community in the central desert region of the Northern Territory), income from land use agreements was used to fund services such as the school vehicle, financial support for children at boarding schools, an National Disability Insurance Scheme coordinator, after school and holiday programs, and a bilingual resources development unit (chapter 3, appendix B).

In Groote Eylandt, the Anindilyakwa Land Council (ALC) funds children and family services through royalties. Between 2014-15 and 2017-18, the ALC spent $9.6 million of its royalty funding on education, $9.2 million on health and $37.7 million on the ALC Community Support program (ALC 2018a, pp. 70–71). Between 2012 and 2027, the ALC is planning to fund several services aimed at improving education outcomes for children (ALC 2012, p. 60).

(continued next page)

Box 2.2 (continued)

There are many other areas in the Northern Territory that receive royalty funding which may fund children and family services. These include: Gove Peninsula; Bootu Creek; Frances Creek; Batchelor; and Tennant Creek (NT Government 2008, pp. 76–77).

National services

The Department of Health (Cth) spends a significant amount on national services and subsidies such as the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme, which contribute to the wellbeing of children and families.

The Department of Social Services also funds a number of national services such as national telephone advice lines (such as 1800 RESPECT, Playgroups Australia and financial support services (microfinance, financial literacy)).

Poor data quality means it can't inform decision making

The Commission also found that record-keeping about expenditure was not fit for purpose. Much of the data about expenditures was in a poor condition — it was not publicly available, incomplete, or incomparable across departments. Most importantly, the data was not kept in a format that facilitates analysis to inform decisions.

This is not a new issue. Other groups who have attempted similar exercises found issues with data availability. For example, Empowered Communities – NPY Region said:

> During 2017, an audit of service delivery across the NPY Lands was attempted … The biggest challenge to emerge from this project was difficulty in accessing data. A wide variety of Federal, State and Territory Government Departments were approached, however **few were willing or able** to provide the required information. Furthermore, for those that did, it was apparent that there is **no consistent system** for collection, storage or reporting on programs or providers, or any simple mechanism for accessing the kind of place-based data that is of most interest and value. (sub. 15, pp. 13–14)

The Royal Commission encountered similar issues with data availability, noting that:

> … the Commonwealth [was] not in a position to easily provide such information, as it does not have a central repository or record of all programs or services, and associated funding, provided specifically for or in the Northern Territory. (RCPDNT 2017, vol. 1, p. 223)

The effect of this is that it is not possible to put together a complete picture of how much is being spent where, and on what. Subsequent sections of this chapter discuss specific issues in relation to understanding how money is spent (section 2.2), where money is being spent (section 2.3), and a closer look at grant funding (section 2.4). Chapter 3 puts forward recommendations about how government departments can improve record keeping practices in the future, so as to facilitate informed funding decisions.

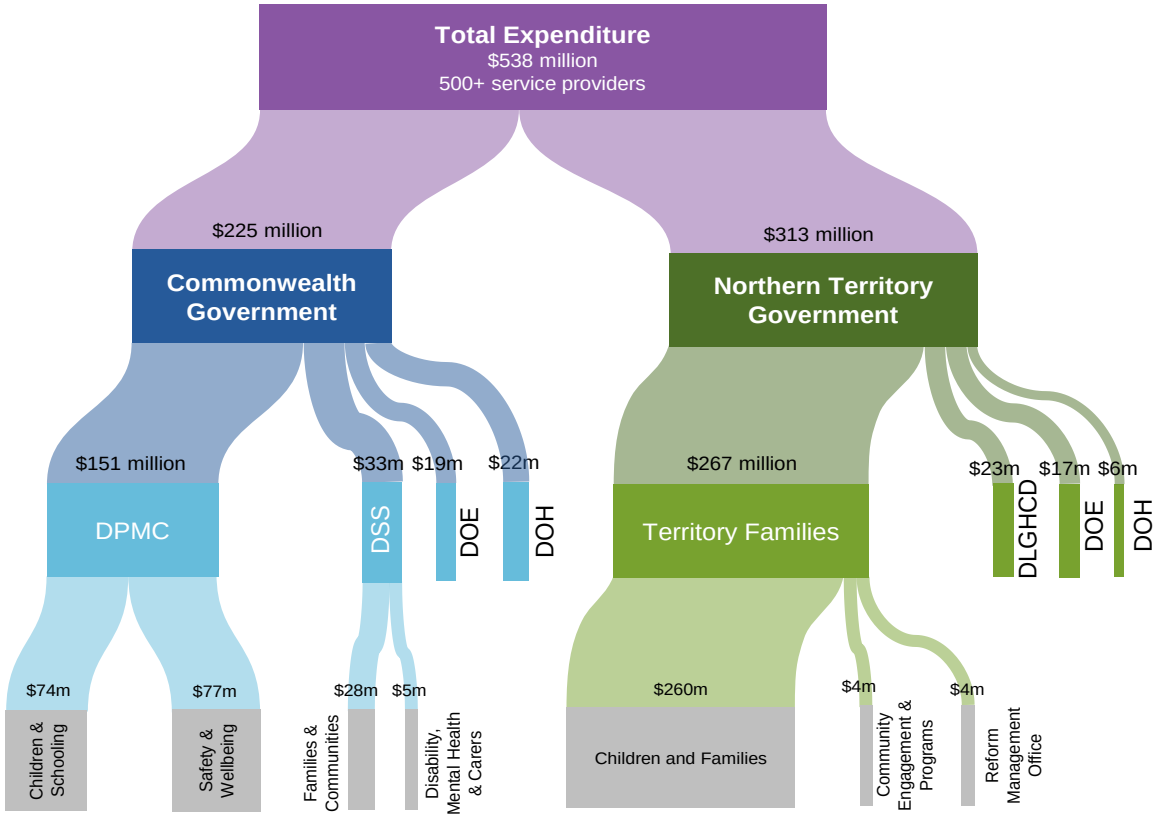
2.2 How much do governments spend?

Both levels of government spend significant amounts

Both the Commonwealth and NT Governments play significant roles in the funding of children and family services, with the NT Government spending slightly more than the Commonwealth Government (figure 2.5).

- The Commonwealth Government spent $225 million on children and family services. This was made up of expenditure by the Departments of the Prime Minister and Cabinet ($151 million); Social Services (including on services funded by the Attorney-General's Department) ($33 million); Education ($19 million); and Health ($22 million).
- By comparison, expenditure by the NT Government was approximately $313 million. This comprised expenditure by Territory Families ($267 million), the Departments of Education ($17 million); Health ($6 million); and Local Government, Housing and Community Development ($23 million).

Figure 2.5 **Expenditure flows**
2018-19



Source: Productivity Commission estimates based on departmental data.

The quantum (and nature) of expenditure by each level of government in part reflects their different responsibilities and objectives. For example, the largest single funder, Territory Families ($267 million) is responsible for statutory child protection and out-of-home care services, spending $21 million and $124 million on these services respectively. The second largest funder, the Department of the Prime Minister and Cabinet, spent $151 million, through its Indigenous Advancement Strategy, which is reflective of the Commonwealth Government's role in improving outcomes for Aboriginal and Torres Strait Islander people (chapter 4).

All of the Commonwealth Government's expenditure was in the form of grants funding. By contrast, about half of the NT Government's expenditure was in the form of non-grant expenditure (or 'internal expenditure'[1]). This mostly comprised expenditure by Territory Families, the department with primary responsibility for families and children, largely on out-of-home care and youth justice.

What are departments spending money on?

Each department categorises expenditures in its own unique way, which means that expenditure categories are not comparable across departments. This means it was not possible to identify and compare what services (or service types) departments are spending money on from departmental data in its current form. In chapter 3, the Commission categorised departmental expenditures into standardised service types, to determine what departments are collectively spending money on.

In its current form, departmental data categorises expenditures into *programs* and *sub-programs* (the Department of the Prime Minister and Cabinet), *programs* and *activities* (the Department of Social Services), or *outputs* (Territory Families) (figures 2.1, 2.2 and 2.3). Departments use these designations to group together individual grants and expenditures. Typically, these designations represent groups of similar services (box 2.3) — for example, the Department of the Prime Minister and Cabinet's sub-program, Schooling Projects, includes services such as school nutrition programs and school boarding facilities.

However, because these categories are defined by individual departments, the way that grants are grouped is not consistent across departments. For example, in order to identify how much was spent on family and relationships services collectively, it would be necessary to examine services in the Department of Social Services' Family and Relationships activity, as well as select family and relationship services spread across three different sub-programs under the Indigenous Advancement Strategy.

1 The NT Government classifies its expenditure as being 'internal' or 'external'. Internal expenditure covers employee and operational costs. External expenditure covers grants and subsidies.

Box 2.3 What are departments spending their money on?

The Department of the Prime Minister and Cabinet's expenditure by sub-program

The Department of the Prime Minister and Cabinet funded 17 sub-programs through 288 grants. About half of that funding ($79 million out of $151 million) was spent on three sub-programs.

- **Schooling Projects ($33 million, 90 grants)** — comprised of mostly school nutrition programs, but also included funding for boarding school facilities, school sports teams, and tutorial or homework clubs.
- **Safe and Functional Physical Environment Projects ($31 million, 21 grants)** — community night (or day) patrols, with a few services funding additional legal or dispute resolution services.
- **Reduced Substance Misuse and Harm Projects ($15 million, 19 grants)** — services related to drug, alcohol, petrol or other substance abuse, with a focus on rehabilitation, treatment and improving access to community workers.

Department of Social Services' expenditure by activity

The Department of Social Services funded 31 activities through 104 grants. Almost half of that funding ($15 million of $33 million) is spent on three activities.

- **Intensive Family Support Services ($8 million, 9 grants)** — provided to families who have a high risk of child removal. Child protection notifications are used to refer at-risk families to Intensive Family Support Services, to increase parental capacity and reduce child neglect (DSS 2019c, p. 1).
- **Communities for Children Facilitating Partners ($4 million, 4 grants)** — to support children and families in 52 disadvantaged communities across Australia by taking an early intervention approach that supports family relationships, improves parenting skills and the health and wellbeing of children (DSS 2019b).
- **Community Mental Health, Early Intervention for Children, Young People and their families ($3 million, 4 grants)** — mental health services tailored to meet the needs of children and young people up to 18 years of age, their families and their carers (DSS 2015b). Each grant recipient delivers: intensive, long-term early intervention support; short-term information, referral and assistance for families; and community outreach and group work.

Territory Families' expenditure by outputs

Territory Families funded eight outputs through grant and non-grant expenditure. Almost all of that funding ($214 million of $267 million) is spent on three activities.

- **Out of Home Care ($124 million)** — spread across a wide range of services, such as foster and kinship care, ensuring Aboriginal children were placed with Aboriginal kinship or foster carers and supporting children exiting out-of-home care.
- **Youth Justice ($64 million)** — comprised of youth diversion services, restorative justice conference and agreements, community-based orders and youth detention.
- **Domestic Family and Sexual Violence ($25 million)** — largely spent on crisis accommodation (safe houses) for family violence services, with a few programs aimed at prevention through campaigning, community education or behaviour change.

DRAFT FINDING 2.1

Significant funds are spent on children and family services in the Northern Territory — in 2018-19, expenditure on services directly relevant to the prevention of harm to children was about $538 million. The expenditure landscape for children and family services is complex and involves:

- nine funding agencies — five Commonwealth Government departments and four NT Government departments
- more than 500 services providers
- more than 20 funding streams, including over 700 grants.

Despite the size of this funding, expenditure data is not kept in a format that allows it to be used to inform policy.

2.3 Where is money being spent?

Given the geographical size of the Northern Territory and the wide dispersion of its population, it is also important to understand precisely *where* expenditure on children and family services is directed to inform funding decisions. This information is also essential to identifying gaps and overlaps.

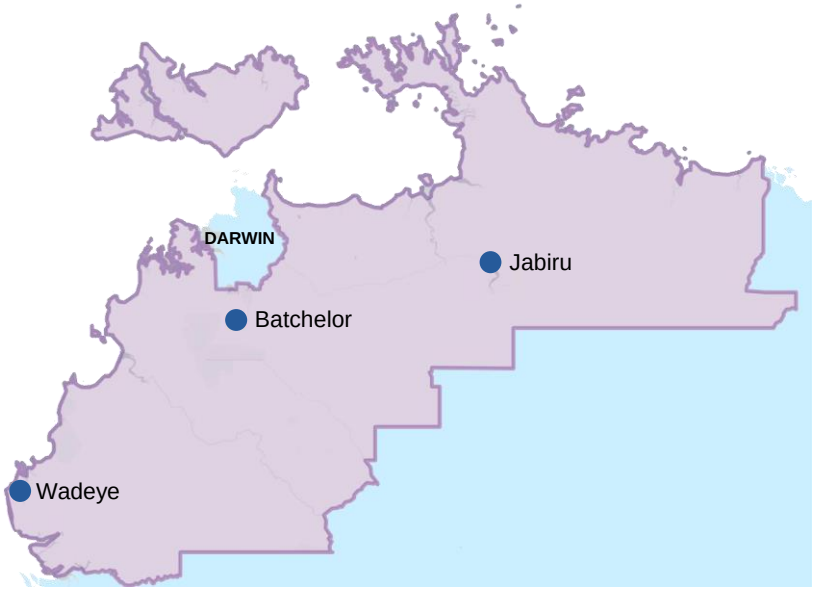
But it was not possible to accurately identify where the money was being spent — location data was often reported in large geographical units and expenditure items could not be linked to a single town or community. For example, much of the location data was provided in terms of the large ABS Statistical Area Level 3 (SA3), or in terms of the six NT Government Regions — Barkly, Big Rivers, Central Australia, Darwin, East Arnhem and Top End — each of which cover many communities.

For some SA3s, expenditure was allocated to a geographical area that is larger than some states (ABS 2018a). For instance, the SA3 of Daly–Tiwi–West Arnhem includes the three major towns of Wadeye, Batchelor and Jabiru and many other smaller communities (figure 2.6). In total, this unit covers 112 295 square kilometres (an area larger than Tasmania) and a total population of about 18 000 (ABS 2018a). For expenditures recorded as being directed to this broad area, it is not possible to determine which specific towns or communities are receiving funding.

Moreover, the geographic units used to report location varied by department, as well as within single departments. In total, more than 15 different geographic units were used to report where money was being spent (box 2.4).

Figure 2.6 **Large geographic units cover multiple towns**

Daly–Tiwi–West Arnhem (Statistical Area Level 3)



Source: ABS (Australian Statistical Geography Standard, Australia, July 2016, vol. 1, Cat no 1270.0.55.001).

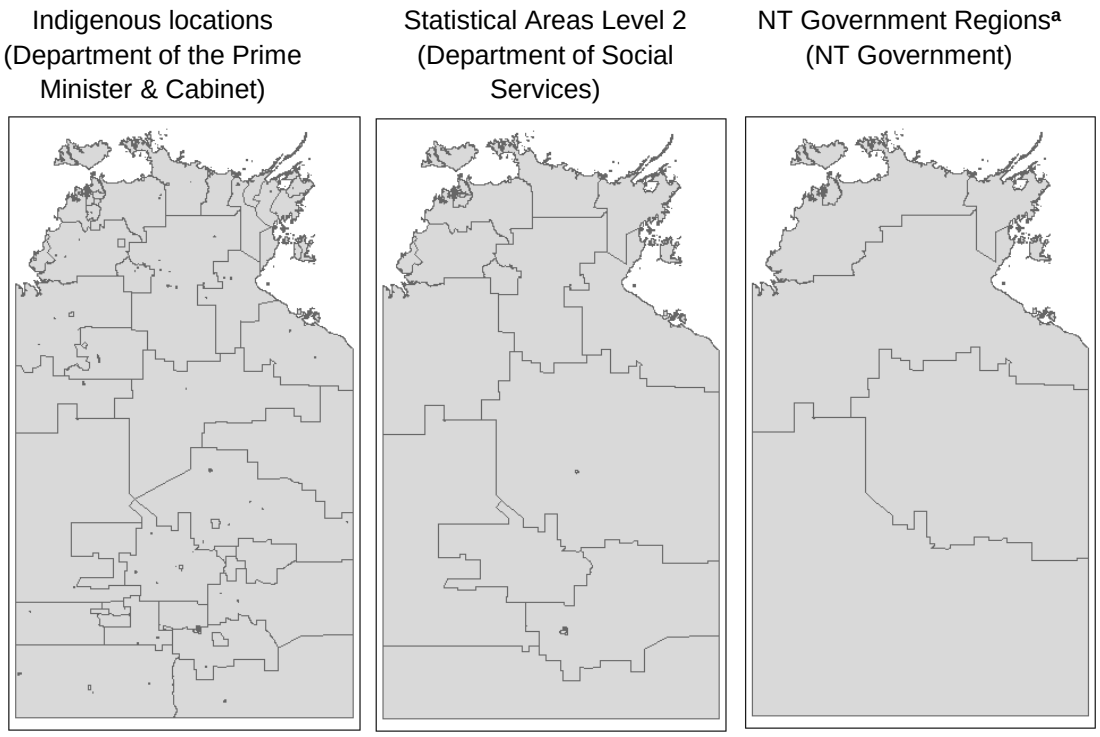
Box 2.4 **Departments use many different geographic units**

Departments used more than 15 different geographic units to report where money was being spent. These included:

- street addresses and/or postcodes
- suburbs or cities
- a range of the ABS Australian Statistical Geography Standard units, including:
  - statistical areas, at various levels and from different years
  - Indigenous Location (187 in the Northern Territory)
  - some obsolete Australian Bureau of Statistics geographical units (from the Australian Standard Geographical Classification, which was retired in 2011)
- communities (42 in total)
- Local Government Areas (17 in total)
- Northern Territory Government Regions (6 in total)
- the Northern Territory
- the whole of Australia.

Figure 2.7 depicts the differences in some of the geographical units used by various departments. Amongst other geographical classifications, the Department of the Prime Minister and Cabinet used Indigenous locations (dividing the Northern Territory into 187 Indigenous locations), the Department of Social Services mostly used Statistical Areas Level 2 (61 Statistical Areas Level 2 in the Northern Territory), and the NT Government used NT Government Regions (six NT Government Regions in the Northern Territory).

Figure 2.7 **Geographic regions vary significantly**



a The Commission used Statistical Areas Level 3 (SA3s) to map Northern Territory Government Regions. The Commission understands t that the boundaries of NT Government Regions and SA3s broadly align.

Sources: ABS (Australian Statistical Geography Standard, Australia, July 2016, vol. 1, Cat. no. 1270.0.55.001, vol. 2, Cat. no. 1270.0.55.002).

Together, these factors mean that it is not possible to accurately track where money was spent in the Northern Territory. This is a barrier to government departments understanding where money is being spent and making informed and coordinated funding decisions for individual towns or communities.

DRAFT FINDING 2.2

It is not possible to accurately track where money is being spent in the Northern Territory. This is because:

- the location where money is being spent is not reported in a manner that is consistent between different government departments, with more than 15 different types of geographical units used to report location data
- in most cases, record-keeping about location is not sufficiently granular to allow expenditure items to be linked to specific towns or communities.

This is a barrier to understanding where money is being spent and to governments making informed and coordinated funding decisions for individual towns or communities.

2.4 A closer look at grant funding

About two thirds of expenditure from both levels of government (about $360 million) is allocated through grant programs. The Commission found that grants for children and family services in the Northern Territory tend to be small, with about a quarter of all grant payments in 2018-19 being less than $100 000. Some services providers appear to be cobbling together multiple grants to fund their operations.

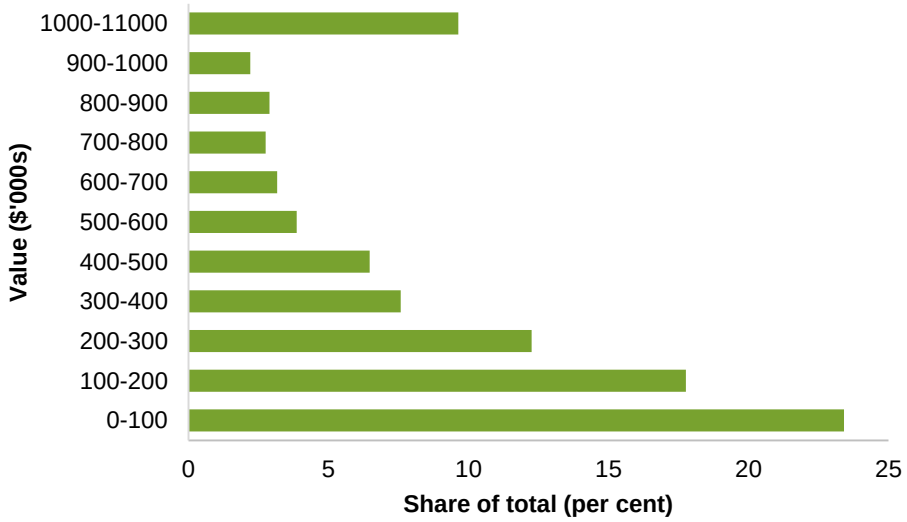
Moreover, grants tend to be given for short terms — almost all grants were given for terms of less than 5 years. This is likely to be a source of uncertainty for services providers (chapter 7).

How large are grants?

Across the board, the median value of grant payments made in 2018-19 was about $225 000. Overall, about a quarter of all grants are small, with grant payments of less than $100 000 in 2018-19 (figure 2.8). Most of these grants are to fund migrant services: homelessness and housing; sport, recreation, culture and wellbeing; and crime, justice and legal services.

Figure 2.8 **A quarter of grants are small[a]**

Payments during the financial year 2018-19



a Figures may not sum to 100 per cent due to rounding.

Source: Productivity Commission estimates based on departmental data.

What type of organisations receive grants?

More than 500 organisations and individuals received funding to provide children and family services in the Northern Territory in 2018-19. Grant funding goes to a mix of different types of organisations (table 2.2), including:

- Aboriginal and Torres Strait Islander organisations
- faith-based organisations
- secular non-government organisations
- Commonwealth, State or Territory government entities[2]
- local government entities.

2 Includes the NT Government, as well as entities owned by governments (including neighbouring State Governments).

Table 2.2 **Types of organisations that received grants**
For the financial year 2018-19

Organisation type	*Total funding*	*No. of grants*	*No. of organisations*	*Median value of grants*
Aboriginal and Torres Strait Islander	$95 million	251	103	$200 000
Faith-based	$51 million	129	37	$234 989
Secular non-government	$142 million	632	320	$33 525
Commonwealth, State or Territory government entities	$18 million	31	19	$207 572
Local government entities	$56 million	140	67	$188 619

Source: Productivity Commission estimates based on departmental data.

Some departments tend to fund particular types of organisations

There were differences in the types of organisations that different departments chose to fund (table 2.3). For example, the Department of the Prime Minister and Cabinet spent 47 per cent of its funding on Aboriginal and Torres Strait Islander organisations, and 18 per cent on secular organisations — many of which operate on a (relatively) local scale. By contrast, most organisations receiving funding from the Department of Social Services were non-Indigenous, often with a national or international presence.

This likely reflects the difference in objectives of their funding programs — the Indigenous Advancement Strategy funds community-led initiatives and aims to empower Aboriginal and Torres Strait Islander peoples (chapter 4), whereas the Department of Social Services' funding is directed towards providers that are able to deliver predetermined evidence-based programs (DSS 2017, pp. 24–25).

Table 2.3 **Departments fund different types of organisations[a]**
Percentage of total grant expenditure

Organisation type	*DPMC*	*DSS*	*TF*
Aboriginal and Torres Strait Islander	47%	2%	9%
Faith-based	7%	18%	15%
Secular non-government	18%	62%	74%
Commonwealth, State or Territory government entities	3%	1%	1%
Local government entities	25%	17%	2%

a Figures may not sum to 100 per cent due to rounding.

Source: Productivity Commission estimates based on departmental data.

Many organisations receive multiple grants

The Commission found many instances of organisations receiving multiple grants, often from the same government department (table 2.4). For example, in 2018-19:

- Anglicare NT received about $20 million from 46 grants from the Departments of the Prime Minister and Cabinet; Social Services; Local Government, Housing and Community Development; Health (NT); and Territory Families (box 2.5)
- Tangentyere Council received $10 million from 24 grants from the Departments of the Prime Minister and Cabinet; Social Services; Local Government, Housing and Community Development; Health (NT); and Territory Families
- North Australian Aboriginal Justice Agency received funding from 12 different grants (valuing about $7 million) for the provision of legal services (box 2.5).

Many organisations appear to be cobbling together grant funding to fund various aspects of their activities. This is an inefficient method of funding, and is a source of unnecessary red tape for organisations.

Table 2.4 **Many organisations receive multiple grants**

Number of grants	*Number of organisations*
1 grant	364
2-5 grants	158
6-10 grants	21
11-20 grants	11
20+ grants	3
Total number of organisations	**557**

Source: Productivity Commission estimates based on departmental data.

Box 2.5 Organisations that receive multiple grants

Anglicare NT

Anglicare NT received over 46 grants for about $20 million from 5 different departments. It also receives grants from other departments, which were not in scope for the stocktake, as well as other funding which includes donations from individuals and businesses (Anglicare NT 2018, pp. 40, 43).

Anglicare received grants to cover many types of services, including:

- early childhood (playgroups, communities for children)
- family support (family relationships and dispute resolution, child and family centres)
- housing and homelessness (including family accommodation, youth accommodation and homelessness, independent living support for young people)
- crime, legal and justice (diversion services, case management)
- out-of-home care (transitional housing)
- mental health services.

North Australian Aboriginal Justice Agency

The North Australian Aboriginal Justice Agency (NAAJA) received 12 grants for about $7 million, 11 of these grants were from the Department of the Prime Minister and Cabinet, under the Indigenous Advancement Strategy and one grant was from Territory Families. NAAJA also receives a range of grants from other agencies (including the Attorney-General's Department) for services that were not in scope for the stocktake. As shown in the table below, all of NAAJA's grants were for legal services. It would be more efficient if these grant applications were streamlined into a single legal services grant application, which takes all of their services into account. This could save time for both the organisation (to write the applications) and the funder (to review applications).

Grant purpose	*Location*
Territory Families	
Kunga Stopping Violence on Social Media	Central Australia
Department of the Prime Minister and Cabinet	
Kunga Stopping Violence Program	Central Australia
Supplementary Legal Assistance	National Office
Supplementary Legal Assistance	Central Australia
NAAJA Indigenous Prisoner Through Care and Indigenous Youth Justice Services	National Office
Indigenous Youth Through Care	National Office
Adult Prisoner Through Care Co-design and Implementation	National Office
Adult Prison Through Care Central Australia	Central Australia
Youth Justice Advocacy Coordinator	Central Australia
Custody Notification Service	Top End & Tiwi Islands
Community Night Patrol Legal Training and Support Services	Top End & Tiwi Islands
National Indigenous Legal Conference	Top End & Tiwi Islands

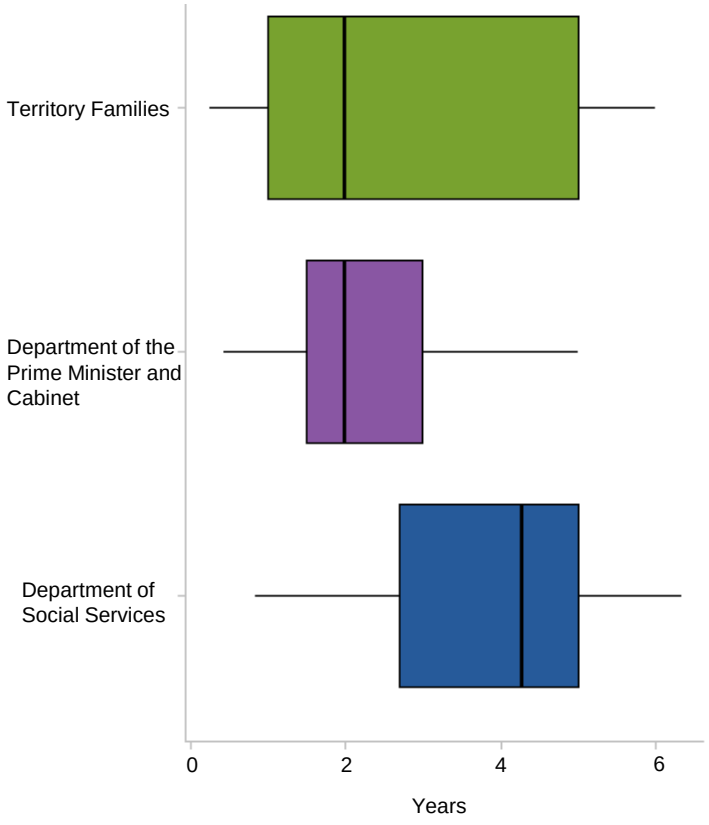
Sources: Anglicare NT (2018); Productivity Commission estimates based on departmental data.

Grants are predominantly short-term

Grant duration plays a pivotal role in determining the success and sustainability of a not-for-profit organisation. Not-for-profit organisations typically rely on grant funding to cover the cost of operations. As these organisations near the end of their grant term, they face uncertainty about future funding and the viability of planned activities. Organisations that receive very short grant terms (one to three years) face greater uncertainty and must devote greater resources to securing future funding. By contrast, organisations with longer grant terms (five to ten years) are more likely to be able to invest and grow (chapter 7).

The majority of grants (97 per cent) were given for a period of less than five years (figure 2.9). In particular, 43 per cent of grants had very short terms (one to two years), 53 per cent of grants had medium terms (between two and five years) and the remainder of grants had long terms (five to ten years). For the three most prominent funders, median grant terms ranged between two years (for Territory Families and the Department of the Prime Minister and Cabinet) and about four years (for the Department of Social Services) (figure 2.9).

Figure 2.9 **Grant terms vary considerably but are typically short[a]**



a The edges of the boxes represent grant terms between the 25th and 75th percentiles. The 'whiskers' extending out from the boxes show the values for the 5th and 95th percentiles.

Source: Productivity Commission estimates based on departmental data.

That said, departmental data may not fully capture what is happening on the ground.

- Departmental data only covers grant payments made by departments to grant recipients, and does not cover payments made pursuant to subcontracting arrangements. This is the case when services are delivered through facilitating partner arrangements (box 2.6).
- In some cases, grants are renewed — and there may be an understanding between the department and the grant recipient that a grant will be renewed at the end of its term. Departments were unable to provide the Commission with information about which grants were 'one-off' and which were expecting to be renewed or had been renewed.

Box 2.6 Facilitating partners

Facilitating partners receive lump-sum funding from departments and subcontract organisations to deliver services on their own grant terms. There are two programs that use facilitating partners:

- Communities for Children (Department of Social Services)
- Stronger Communities for Children (Department of the Prime Minister and Cabinet)

Departmental data only captures funds paid by departments to facilitating partners — as well as the terms of that funding. It does not capture contractual arrangements between the facilitating partner and other organisations, including the time period for which those other organisations are contracted (and hence funded).

For example, Anglicare NT is one of the facilitating partner organisations for Communities for Children and received about $1 million in 2018-19 to redistribute amongst community partners in Alice Springs. These community partners include: Akeyulerre, Families and Schools Together NT, Lutheran Community Care, Multicultural Community Services Central Australia and Relationships Australia through various contractual arrangements (Anglicare NT 2019a, p. i).

A review of the Communities for Children program found that, prior to reforms made in 2014:

> Facilitating Partners [provided] very short term contracts (sometimes one year), which impacted on Community Partner's ability to plan and undertake services. (ACIL Allen Consulting 2016, p. 53)

But, after the reforms, only 23 per cent of community partners said that they were receiving longer contract terms, with 17 per cent responding that contract terms were shorter than before (ACIL Allen Consulting 2016, p. 55).

DRAFT FINDING 2.3

Grants for children and family services in the Northern Territory tend to be small and given for short terms. In 2018-19:

- the median grant payment was about $225 000, with about a quarter of payments less than $100 000
- almost all grants (97 per cent) had terms of less than 5 years.

3 Linking expenditure to services

Key points

- Both the Commonwealth and Northern Territory Governments fund children and family services covering a wide range of areas, and in many cases are operating in the same field.
  - Areas of significant overlap in expenditure effort include: services for addressing domestic, family and sexual violence; crime, justice and legal services; community development services; and sport, recreation, culture and wellbeing services.
  - Significant funds are directed not only at the provision of statutory services, but also at preventative and early intervention services.
- Current record-keeping processes do not adequately capture information about what services are being funded or where they are being delivered. This is a hindrance to decision-makers fully understanding the service landscape and to making fully-informed funding decisions.
  - Record-keeping about the types of services funded varies between departments, which is a barrier to tracking *what* services are provided across the board
  - It is currently not possible to ascertain, from expenditure records, *where* services are provided and what services are available in a specific community. Even within those communities, local knowledge about service availability is incomplete.
  - Some government departments collect information about levels of access to services, but the focus of that information is on individual services. On the whole, there is a lack of information about levels of access from the perspective of service users — how many services a person receives and the proportion of the community that accesses services.
- Study participants highlighted several areas where gaps in services were a problem, particularly in the areas of mental health supports for young people; parenting programs; access to safe houses; and youth justice services, including the provision of legal assistance, supported bail accommodation, rehabilitation and therapeutic programs. But the available data does not allow those gaps to be verified.
- Better record-keeping in relation to where and what services are provided is needed to facilitate tracking of how expenditures translate into services on the ground and to enable more coordinated decision making.
- Commonwealth and NT Government departments should develop and adopt:
  - a common method for describing and categorising children and family services
  - a common method for recording location data, which is sufficiently granular to reflect different service catchment areas.
- The improved expenditure data should be used by the NT Government as a basis for putting together a single and cohesive public service list that covers all of the Northern Territory. The list should include details about: the service provided; the provider; when the service is available; and how the service can be accessed.

In the Northern Territory, significant funds (about $538 million in 2018-19, chapter 2) are allocated to the provision of children and family services relevant to the prevention of harm to children. Broadly speaking, the expenditure landscape comprises three key players: governments; service providers; and families and children. These players are connected in two key ways:

- through funding — which links government agencies and service providers
- through service provision — which links service providers to families and children.

Together, chapters 2 and 3 explore the evidence base for the current expenditure and service landscape, with a view to understanding what information decision makers have available to them when they make funding decisions. The focus of chapter 2 was on the *funding*, including how much is spent, where and by whom. This chapter looks at that expenditure from the perspective of *services* — what services are provided with that funding, and who receives those services?

This chapter begins with an examination of what services are being provided (section 3.1). It considers what information can be gleaned from existing government data and whether this accurately reflects the on-the-ground experience. Section 3.2 discusses the case for improved information about services, from the perspective of decision makers and the community. Section 3.3 considers the state of evidence about who accesses services and issues around levels of access.

3.1 What services are being provided?

Understanding what services are being provided is an essential ingredient to the implementation of a coordinated funding framework. However, record-keeping by government departments tends to centre on expenditures (how much is being spent, who receives it and through what mechanism) rather than services (what is being provided and to whom).

This section discusses how, in their current form, expenditure records do not adequately capture information about what services are provided. This is a hindrance to the ability of decision makers to fully understand the service landscape or to understand where there are gaps, overlaps or duplication in service provision.

Does expenditure data capture what services are being provided?

As a whole, the expenditure data (described in chapter 2) contained incomplete information about what services were being funded and the way in which that information was reported varied considerably. For some departments, the expenditure data included a description of the service provided. In other cases, the nature of the service provided could only be inferred, using other information, such as the program it was funded under, the activity that was

funded, or the intended outputs of the expenditure (box 3.1). And, in some instances, information about services was altogether absent.

The systems used for recording expenditure data do not facilitate insight into what services were being funded, or exactly where these services are being delivered, across various government departments. Specifically, these record-keeping processes make it difficult to ascertain whether two or more departments are providing grants for services that were similar in substance, even if funded under different grant programs.

Box 3.1 What information about services is available?

The Commission received data from multiple government departments about their expenditures on children and family services. The way in which information was recorded about the nature of services provided varied between different departments. Overall, these differences made it difficult to compare the types of services that were being funded by each department.

The Department of the Prime Minister and Cabinet reported four variables that shed light on the nature of the service provided. For example, the entry for a grant provided pursuant to the Remote School Attendance Strategy included the following information:

Program: 2.2 – Children and Schooling

Sub Program: Remote School Attendance Strategy

Activity Title: RSAS – [various locations]

Long Description: The Remote School Attendance Strategy (RSAS) project (the project) is a community-focused strategy that brings together families, schools, locally employed staff and community members to design and deliver the best local solutions to improve school attendance and engagement in remote communities.

Similarly, Territory Families included information about services provided in the form of free text. For instance, a grant given as part of the department's youth justice function had the following descriptors:

Service Plan Name: Intensive Youth Support Service

Service Description: The Intensive Youth Support Service (IYSS) is a responsive and flexible service that provides intensive support services for vulnerable, high risk, young people (10-17 years) … Support is available for a period of six months with additional support for up to 12 months. The service helps young people to develop a healthy sense of self-esteem and resilience that will be self-sustaining throughout their life journey and reduce their risk of re-entering the child protection system

Output: Youth Justice

Division: Youth Justice

Business Unit: Youth Justice Programs

By contrast, data provided by the Department of Social Services included only two fields about the type of service provided. For example, a grant made as part of the Family and Children activity under the Family and Communities Program contained the following information:

Program: DSS Output 2.1 Families and Communities

Program Formal External Name (Activity): Family and Relationship Services

DRAFT FINDING 3.1

Record-keeping about what types of services are being funded and delivered is not standardised between and within departments. This is a barrier to tracking what services are being provided across all government departments.

To address the inconsistencies in reporting about what services have been funded, the Commission created 14 broad service categories that cover the breadth and mix of children and family services that are provided across the Northern Territory (table 3.1).

Table 3.1 **Service categories[a]**

Category	*Description*
Child protection	Includes expenditure on statutory child protection services (including out-of-home care), as well as ancillary services for those transitioning in or out of the child protection system.
Community development	Services for the development of the community, including volunteering and leadership programs, awareness-raising, building community resilience.
Crime, justice and legal	Includes services such as family law counselling, youth justice services, night patrols, crime prevention programs.
Domestic, family, sexual violence	Includes safe houses and refuges, counselling services, victim support services.
Early childhood	Services for the attainment of better early childhood outcomes, including child care and early education.
Education	Services relating to education, including school attendance, improved academic outcomes.
Employment	Includes job placement services, skills and training services.
Family support	Family support services including counselling, intensive support services, family dispute resolution.
Health and nutrition	Includes health services, disease treatment and prevention, nutrition programs.
Homelessness and housing	Services for families and children experiencing or at risk of homelessness, including accommodation, support services, counselling, case management.
Mental health and substance abuse	Services aimed at improving or safeguarding mental health, services for addressing substance abuse issues.
Migrant services	Services for new immigrants to Australia.
Remote services	Services that directly address issues related to remoteness.
Sport, recreation, culture and wellbeing	Includes expenditure for sports and recreation groups, cultural events, services to improve general wellbeing.

a Categories based on those used for reporting Commonwealth Government grant awards in the GrantConnect database (Australian Government 2019), with modifications to reflect the range of children and family services that are in scope for this study.

The data shows that a wide range of service types are funded by both levels of government, and many types of services are funded by both governments (table 3.2). Some types of

services are funded exclusively through grants, but most are funded through a mix of grant and non-grant expenditure.

Table 3.2 **Expenditure by service type**

	Number of grants			Value ($m)		
Service type	*Cth*	*NT*	*Total*	*Grant*	*Non-grant*	*Total*
Child protection	-	142	142	62.0	72.1	134.1
Community development	13	61	74	2.9	3.2	6.2
Crime, justice and legal	51	28	79	56.6	56.9	113.4
Domestic, family, sexual violence	17	55	72	15.8	7.8	23.6
Early childhood	104	32	136	53.8	1.0	54.8
Education	54	27	81	34.2	11.6	45.8
Employment	5	4	9	0.9	-	0.9
Family support	42	33	75	36.1	24.2	60.3
Health and nutrition	66	3	69	21.9	1.0	22.9
Homelessness and housing	6	32	38	18.7	-	18.7
Mental health and substance misuse	36	50	86	26.1	-	26.1
Migrant services	6	3	9	0.8	-	0.8
Remote services	1	-	1	1.8	-	1.8
Sport, recreation, culture and wellbeing	67	242	309	28.9	-	28.9

Source: Productivity Commission estimates based on departmental data.

Child protection and justice and legal services tend to receive greater funding overall (figure 3.1). Although the mix of services is influenced by the scope of our stocktake, it appears that significant funds are directed not only at the provision of statutory child protection services, but also at preventative and early intervention services. That said, it is unclear whether this allocation of funds to the different service areas has achieved an 'optimal' mix of services for a public health approach to keeping children safe and well (chapter 1).

Moreover, most programs and services were targeted directly at children — and these programs and services also received the greatest share of the total value of expenditure (table 3.3). This was followed by the total value of expenditure allocated to services targeting parents and families, and then services targeting communities. For the most part, this reflects the way in which the scope of the stocktake was drawn — with the bulk of expenditures targeting children directly falling within scope, and only a portion of expenditures targeting parents and families, and communities, being considered relevant.

Figure 3.1 **Significant funds are directed to preventative, early intervention and statutory services**

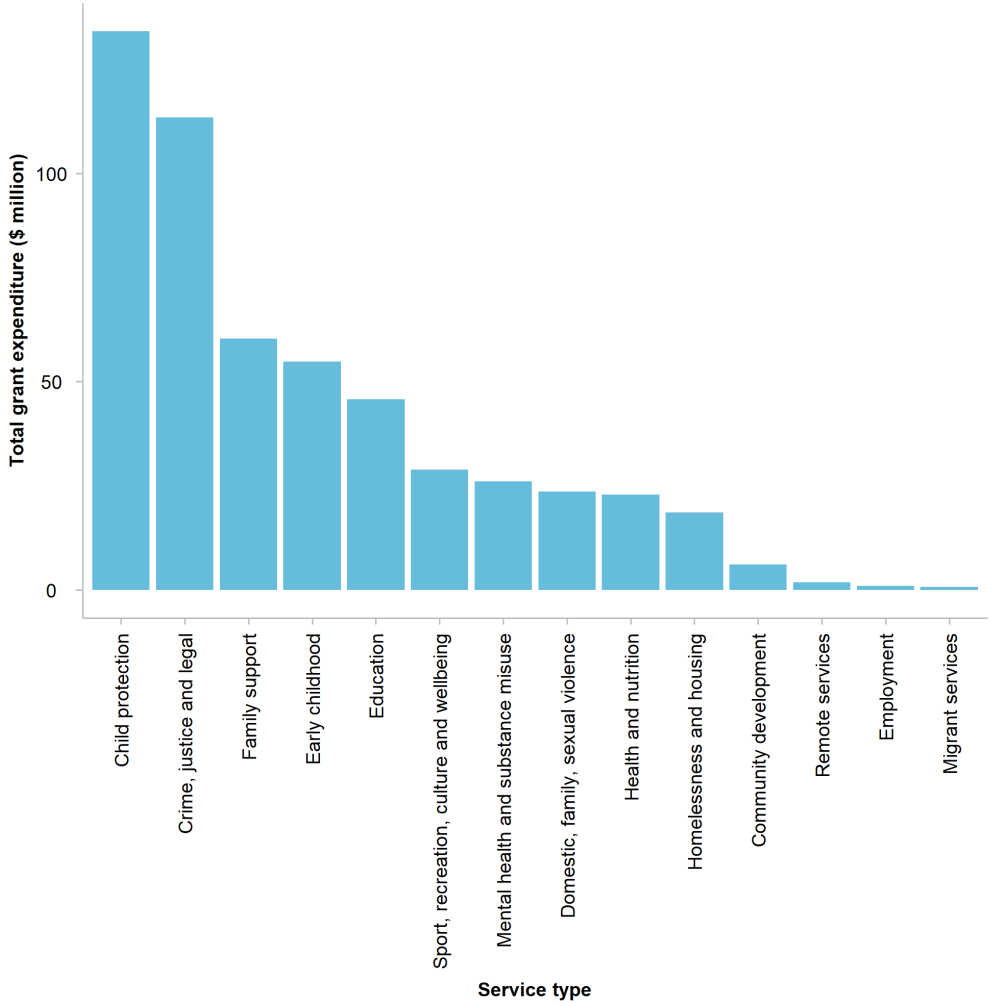


Table 3.3 **Expenditure by target group[a]**

	Grants		Non-grants
Target group	*Number*	*Value ($m)*	*Value ($m)*
Children	689	210.0	131.0
Parents and families	270	90.0	43.6
Communities	292	60.2	3.2

a Expenditure items were categorised according to whether the expenditure was for the provision of services directly to children (such as playgroups and child counselling services), to the family unit or members of the child's family unit (such as adult drug and alcohol programs), or the community more widely (such as awareness programs).

Source: Productivity Commission estimates based on departmental data.

Does the data reflect what is happening on the ground?

The Commission also examined the extent to which record-keeping by government departments adequately reflected what is happening on the ground. This is important because the accuracy of departmental data directly affects their ability to identify service needs, gaps and duplication, and to make coordinated and informed decisions about funding in specific communities. As such, the Commission undertook case studies of two communities, and compared the information that was made available by government departments.

Overall, the Commission found that it was often not possible to identify, from the data, whether a particular service was provided in a specific location. This was because (as discussed in section 2.3), in many instances, the location where services were provided were reported using geographical units that were larger than individual communities or towns. As an example, in the data provided by Territory Families services were recorded by NT Government Regions (of which there were six in total). Each of these regions covered multiple communities — for instance, the region 'Central Australia' included: Alice Springs, Atitjere, Hermannsburg, Kaltukatjara, Mutitjulu – Uluru, Papunya, Santa Teresa, Tanami, Walungurru, Willowra and Yuendumu.

This means that, using the data, it is only possible to identify what services *may* have been provided in particular towns or communities. In other words, for a given location, there is likely to be a non-negligible number of 'false positives' — that is, departmental records indicate that a particular service is being provided in that location, but in fact it is not. For this reason, care must be taken in interpreting departmental data. As Anglicare NT said:

> A deeper analysis of service delivery presence may show that only a small percentage of these agencies actually spend money in that community or have a regular presence on the ground. Such a deeper analysis is needed before planners identify 'duplication' or multiplicity of providers. (sub. 8, p. 2)

In general, it appears that expenditure records are better at reflecting what services are available in larger towns or communities. But, for smaller communities, expenditure data tends to vastly overstate what services are available to those living there.

Yuendumu

Yuendumu is a town in central Australia, approximately 293 kilometres northwest of Alice Springs. It is home to about 750 people, and the community is largely made up of the Warlpiri and Anmatyerr people.

Using data from government departments, the Commission identified about 60 government-funded services that *may* have been provided in Yuendumu. These covered a range of different children and family services, including:

- 14 family support services
- 10 services relating to mental health or substance misuse

- 10 services relating to homelessness and housing
- 6 education services
- 6 crime, justice or legal services.

In practice, however, when the Commission visited Yuendumu, service providers and community groups said that only a small number (17) of those services were actually present or visible in the community (appendix B, table B.1). The size of this disparity is, in part, due to the imprecision of the location data that was provided to the Commission. In particular, many of the services identified through the stocktake data were not based in Yuendumu at all, but rather Alice Springs — for example, funding to Alice Springs Women's Shelter and to Tangentyere Council Aboriginal Corporation. But it is also possible that some services that were said to be funded in Yuendumu were not sufficiently visible — or not, in fact, available — to those living there. Moreover, the Commission identified several instances where income from land use agreements ('royalties') was used to fund children and family services (additional to the 17 government-funded services in Yuendumu) (box 3.2, appendix B).

Box 3.2 **Royalty funding in Yuendumu**

The Walpiri Education and Training Trust (WETT) uses royalties from the mine to improve education and training outcomes for Yapa (Warlpiri people) in the Tanami region (WETT 2018).

In Yuendumu, WETT royalties funded:

- support for training and development for Yapa (Warlpiri) staff throughout the four communities to manage the early childhood services and ensure strong local decision making.
- the Country Visit and Elder Payment Program, which enables schools to take students on bush trips, organise culture days and pay elders to teach on country and in the classroom
- school vehicles to support trips for school students
- the Jaru Pirrjirdi (strong voices) leadership program
- funds interstate excursions for students, providing an opportunity for students to broaden their horizons, represent their community, build confidence, visit boarding schools and enjoy a range of fun and educational activities.
- supports secondary students living and learning outside the four communities — including family visits to students at boarding schools to prevent homesickness and celebrate achievements, excursions, sport, music, laptops and more.

Another source of funding for services in Yuendumu is are royalties from the Granites Mine Affected Area Aboriginal Corporation. These royalties funded the provision of, among other things:

- after school and holiday programs
- sports programs, activities and equipment
- the National Disability Insurance Scheme coordinator and vehicle loan.

Alice Springs

Alice Springs is the largest town in the Northern Territory outside the Greater Darwin area, with a permanent population of about 30 000 — of whom about 20 per cent are Aboriginal and Torres Strait Islander people. It also has a large itinerant population, made up of tourists, workers on short-term contracts and Aboriginal Australians visiting from nearby communities.

In total, the Commission identified over 250 services in the stocktake data that may have been provided in Alice Springs. These spanned across all categories of services outlined in table 3.1, with the exception of remoteness services. Given the sheer number of services in this list, it was not possible to independently verify whether each individual service was, in fact, available on the ground. Nor was it practical to identify whether there were other services available (such as those provided through other funding sources), which were not captured by the expenditure data.

That said, the number of services identified in the stocktake as available in Alice Springs broadly aligns with scale of expenditure and range of services that were identified by participants. For example, Child Friendly Alice identified Alice Springs as an area where there are 'many providers' and 'significant investment' (sub. 16, p. 6), and identified a range of services (government and non-government funded) in Alice Springs (sub. 16, pp. 1–2). Moreover, for most services listed in the stocktake, the Commission was able to verify their presence in Alice Springs through information provided by participants (such as Child Friendly Alice) or publicly available information (such as the grant recipient's website).

Overall, government expenditure data appears to be capable of reflecting, with reasonable accuracy, what services are available in the larger towns of the Northern Territory. This is simply because most expenditures are directed to, and most services are provided in, those larger towns— meaning that there are likely to be fewer 'false positives', where departmental records indicate that a service is being provided in that location, but in fact it is not.

Is there evidence of gaps and overlaps?

Clear evidence of overlaps in the types of services governments fund

Overall, the Commission found that, in the provision of children and family services in the Northern Territory, there is significant overlap in the services that are being funded by different levels of government and departments of government. In other words, at an aggregate level, the Commonwealth and NT Governments are often operating 'in the same field'. As shown in table 3.2, most types of services were funded by both the Commonwealth and NT Governments. For example, both levels of government provided funding for services aimed at addressing domestic, family and sexual violence (table 3.4). Notably, both levels of government funded the operation of safe houses and shelters, as well as support services for victims.

Table 3.4 **Grants for domestic, family and sexual violence**

Grant recipient	*Purpose of grant*
Department of the Prime Minister and Cabinet	
Aboriginal Resource and Development Services Aboriginal Corporation	• Violence Reduction and Victim Support Project — for developing Yolngu-initiated solutions to family violence
Anyinginyi Health Aboriginal Corporation	• Violence Reduction and Victim Support Project — provides individuals and families with support through internal Anyinginyi Service and referrals to external specialist services
Ironbark Aboriginal Corporation	• Violence Reduction and Victim Support Project — provides intensive case management and works with vulnerable indigenous clients and families residing in the Darwin and Palmerston area, who are dealing with family violence and have multiple complex needs
Mabunji Aboriginal Resource Indigenous Corporation	• Borroloola Safe House (two grants)
Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council	• A domestic and family violence service to improve individual and community capacity to address domestic and family violence, with specific aims of increasing awareness
Department of Social Services	
Alice Springs Women's Shelter Incorporated	• Emergency relief funding for individuals experiencing or escaping domestic, sexual or family violence
Crisis Accommodation Gove	• Emergency relief funding for individuals experiencing or escaping domestic, sexual or family violence
Darwin Aboriginal and Torres Strait Islander Women's Shelter	• Accommodation bond assistance for families, including, women and children escaping domestic and family violence
Dawn House Incorporated	• Dawn House Women and Children's Shelter
Northern Territory of Australia	• Keeping Women Safe in Their Home Program — provides practical help for women and their children in their homes, including: expert safety assessments and safety planning; home safety upgrades and devices; supporting women in enforcing Apprehended Violence Orders
Tennant Creek Women's Refuge	• Tennant Creek Women's Refuge
The Gathering Incorporated	• The Doing it Hard Program — provides a range emergency relief supports, including assistance in domestic violence situations
YWCA Australia	• A range of services that assist women, young women, families and young people providing safety and empowerment, including emergency accommodation.
Territory Families	
Alice Springs Women's Shelter	• Sexual assault specialist • Critical intervention outreach service (three grants) • Crisis accommodation (two grants) • Domestic and family violence community education and development • Domestic and family violence counselling (two grants) • Victim support and advocacy service (two grants)
Australia China Friendship Society NT Branch	• Respect Women and Build Strong Family program

(continued next page)

Table 3.4 (continued)

Grant recipient	*Purpose of grant*
Territory Families (continued)	
Barkly Regional Council	• Ali Curung Safe House (two grants) • Elliott Safe House (two grants)
CatholicCare NT	• Milikapiti Family Safe House (two grants) • Nauiyu Women and Children's Safe House (two grants)
Central Australian Women's Legal Service	• Reclaim the Night Alice Springs 2018
Crisis Accommodation Gove	• Crisis accommodation (two grants)
Darwin Aboriginal & Islander Women's Shelter	• Critical intervention outreach • Magdalene Safe House (three grants) • Women's and children's service
Dawn House	• Domestic violence frontline services • Domestic and family violence community education and development • Domestic and family violence counselling service • Women's and children's service
Galiwin'ku Women's Space	• Galiwin'ku Women's Safe Place (two grants)
Katherine Women's Crisis Centre	• Critical intervention outreach service • Katherine Women's Crisis Accommodation (three grants)
Mabunji Aboriginal Resource Indigenous Corp	• Borroloola Safe House (two grants)
Northern Territory Council of Social Service	• Building the capacity of the domestic & family violence sector (three grants)
One Tree Community Services Inc	• Wadeye Safe House
Tangentyere Council	• Domestic and family violence children's service to Aboriginal youth • Men's outreach, assessment and referral service • Tangentyere Women's Family Safety Group (two grants)
The Salvation Army	• Catherine Booth House
West Arnhem Regional council	• Gunbalanya women's safe house (two grants)
YWCA of Darwin	• YWCA Domestic and Family Violence Centre
Department of Local Government, Housing and Community Development	
Darwin Aboriginal & Islander Women's Shelter	• Accommodation for women and children affected by domestic and family violence through a Transitional Housing Unit complex • Case management and support services for women and children affected by domestic and family violence

Other areas where there were significant overlaps were:

- crime, justice and legal services — both levels of government funded youth diversion services, and community education and outreach services
- community development services — multiple departments funded services or events to promote inclusion, leadership and community resilience

- sport, recreation, culture and wellbeing services — both levels of government provided funds to support sporting activities, sport and recreation programs (including out of school hours and holiday programs), as well as cultural events and workshops.

Danila Dilba Health Service also pointed to 'overlapping funding' in primary health services.

> Primary Health Care programs have been funded through the Northern Territory Primary Health Network (NT PHN), The NT Department of Health, Territory Families, the Commonwealth Department of Social Services and the Department of [the] Prime Minister and Cabinet. (sub. 22, pp. 11–12)

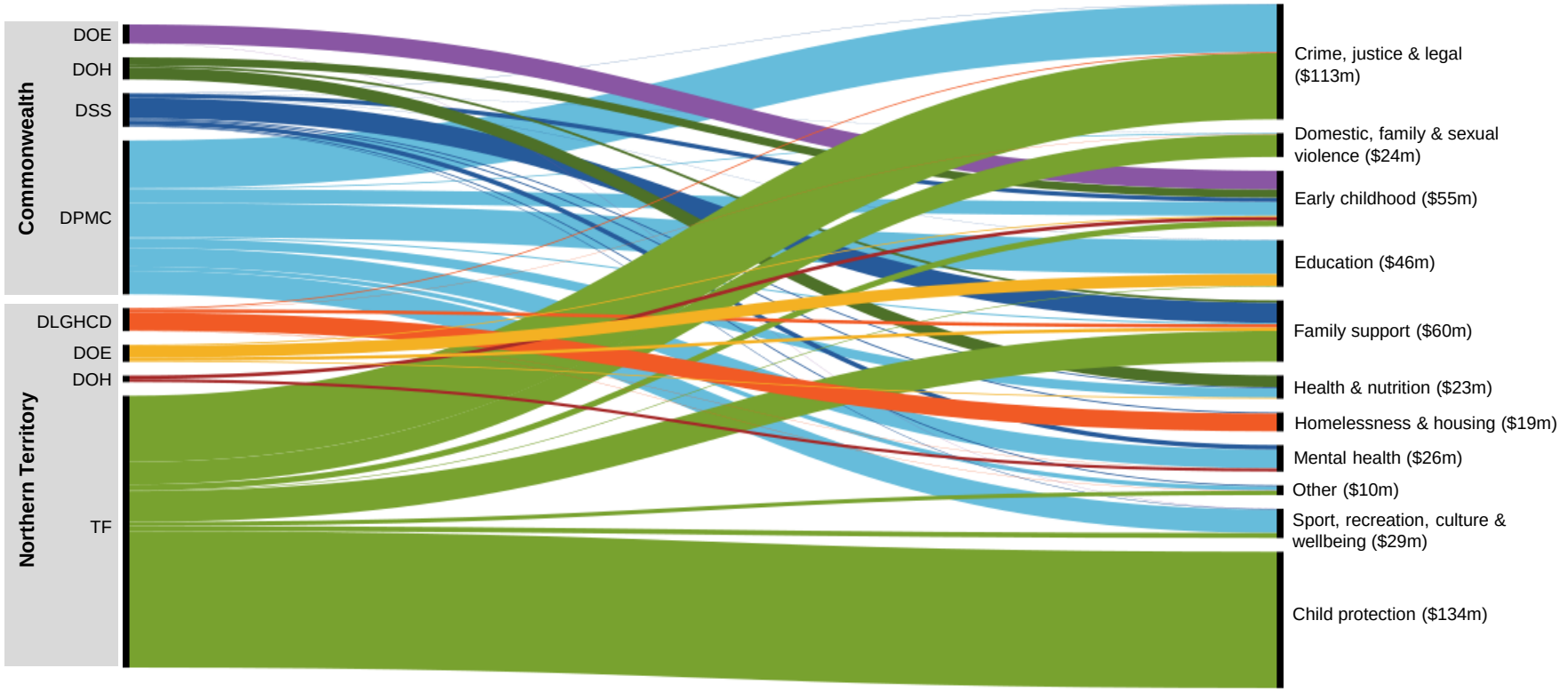
To understand the nature of this overlap better, the Commission examined the types of services that were being funded through different funding programs (using the service categories discussed above). Figure 3.2 maps expenditure items in each funding stream to the specific types of services that were provided. As shown in this diagram, there is considerable overlap between different funding programs in terms of the services that are funded — and some types of services were funded from as many as six or seven different sources (such as family support services and early childhood services).

This reflects the observations of Child Friendly Alice that sometimes:

> … one agency doesn't know another is involved, or if they do know another agency is involved the parties have not reached agreement on who does what and by what time … An example of this is Connected Beginnings funded by [the Commonwealth Department of Education] in key sites in the NT, including Alice Springs, DSS fund a range of similar services (such as Stronger places Stronger people, Communities for Children, Hippy, Intensive Family Support, similarly PMC fund services. [The NT Government] also fund related services ([Families as First Teachers], Child and Family Services). (sub. 16, p. 2)

During consultation, participants highlighted the interaction between the Intensive Family Support Service (funded by the Department of Social Services) and the Intensive Family Preservation Service (funded by Territory Families) as an area where inter-governmental responsibilities were particularly difficult to untangle (box 3.3). In some areas, such as Katherine, both services are available. But there are some locations where neither program exists — for example, in most of the East Arnhem region, neither is provided, with the exception of Nhulunbuy, which receives the Intensive Family Preservation Service.

Figure 3.2 **What types of services do departments fund?**



Source: Productivity Commission estimates based on departmental data.

Box 3.3 Intensive Family Support Service and Intensive Family Preservation Service

The Intensive Family Support Service (IFSS) and the Intensive Family Preservation Service (IFPS) are intensive family support programs provided to families in the Northern Territory. In some locations, both services are provided (Anglicare NT, sub. 8) — but there are also some locations where neither service is provided.

IFSS is run by the Department of Social Services. It is delivered to 26 communities in the Northern Territory and the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in South Australia (DSS, sub. 26, p. 4). Eight non-government organisations are funded to provide services to parents and caregivers of children where child neglect is a concern. It provides:

> … practical parenting education and support to parents and caregivers in their communities and homes, to help them improve the health, safety and wellbeing of their children. (DSS 2016, p. 6)

In 2018-19, DSS allocated about $8.5 million to the provision of IFSS in the Northern Territory.

At the same time, Territory Families has contracts with four non-government organisations to deliver IFPS in the main centres of the Northern Territory (Alice Springs, Darwin, Katherine, Nhulunbuy, Tennant Creek). The services are aimed at families where the risk of their child being removed is high, with a view to preventing the removal of the child (Territory Families 2016, p. 2).

Support workers provide a range of supports and services for eligible families. According to Save the Children Australia, a provider of the IFPS:

> Support Workers help families to develop and enhance their parenting skills in areas of care that are most likely to reduce neglect. They often visit families two to three times a week to make sure children are adequately supervised and have their physical, health, emotional, developmental and educational needs met. They offer practical support within a home, and help families reach out and attend services available to them, such as support for drug and alcohol addiction. (nd)

In 2018-19, Territory Families spent about $4.8 million for the provision of IFPS (Territory Families 2019b).

DRAFT FINDING 3.2

Both the Commonwealth and NT Governments fund a broad range of children and family services, and there are many service areas where both governments are operating in the same field.

Areas of significant overlap in government funding include: services for addressing domestic, family and sexual violence; crime, justice and legal services; community development services; and sport, recreation, culture and wellbeing services.

But the evidence does not point to duplication of services or over-servicing

One of the risks of uncoordinated funding is that it can also lead to duplication of services. For example, Playgroup Association of the NT (sub. 12, p. 2) said that ‘many playgroups

have been set up either very close to a community playgroup or in the same venue'. And CAYLUS said:

> Another confounding factor and symptom of the lack of coordination of services is the proliferation of new service providers in the region, with the support of government funding, often funded in roles that duplicate existing programs. A recent example of this is a Sydney based company that has been funded by Commonwealth Health to run soccer programs as a diabetes prevention measure in 4 communities in Central Australia at a cost of $150,000 per community per year for 3 years. We think such funds would be better directed to supporting/building existing resident youth programs, that are already funded to run sporting activities in these locations are already established in these communities. They could run soccer or perhaps a more locally popular sport. We note that this soccer program is being funded to run in a remote community in the [Central Desert Regional Council area] which last week had to discontinue all their youth programs due to a lack of funds. (sub. 6, p. 13)

There are also instances where multiple services are being funded by different agencies targeting the same groups. For example, in Umbakumba (with a population of 500 people on Groote Eylandt) there are several services targeting children aged 0 to 5 years, including: Families as First Teachers (NT Department of Education); Save the Children's early childhood program (Anindilyakwa Land Council); and the Crèche Centre (East Arnhem Regional Council) (ALC 2018b; EARC 2019). The Commonwealth Department of Education recently funded the Connected Beginnings program in Groote to help enhance collaboration between these service providers (Department of Education 2019).

Funding of services from non-government providers also adds to the complexity of the service system. In Groote Eylandt, several youth engagement and diversion programs have been funded by Aboriginal corporations using royalty revenue, including Bush Fit Mob, Groote Eylandt & Milyakburra Youth Development Unit, and the Groote Eylandt and Bickerton Island Enterprises youth program (ALC 2018c; GEBIE 2019; NT Department of Trade, Business and Innovation 2018).

However, Anglicare NT cautioned against the conclusion that the existence of multiple service providers in the same community necessarily implied duplication of services on the ground.

> Duplication is a 'thin conclusion': It is easy for outside observers to make assumptions regarding 'duplication'. For example, a community may have 300 children. 50% of these children will have a notification made about their care before the age of 10 years old. Funding of two different supported play groups in that community does not mean duplication — it may mean adequate service. (sub. 8, p. 1)

In particular, it pointed to the perceived overlap between Intensive Family Preservation Services and the Intensive Family Support Services (box 3.3). It noted that, even though those services may be operating in the same space, 'both services are often over-extended with demand and … there is no evidence of the over-servicing of vulnerable clients' (sub. 8, pp. 1–2).

And, as Child Friendly Alice noted, what may be perceived as service duplication could actually be a manifestation of product variety or a source of competition in service provision.

> Duplication can provide choice for families where the duplication offers sufficient differences between the programs. This is about ensuring the community has choice … Duplication can also be the basis for competition. Services competing for people living in vulnerable and disadvantaged circumstances require consistency and support … (sub. 16, p. 2)

On balance, while it did appear that departments funded similar types of services, there was little evidence of substantial 'over servicing' (where families are receiving multiple services of the same type) or duplication of services on the ground. Nevertheless, there may be inefficiencies from having multiple providers in one community, such as not reaching an efficient scale. And there are still important benefits to families from better targeting of services (according to the needs and priorities of communities) and improved coordination between governments. Chapters 4 and 6 discuss further the need for improved coordination in terms of funding children and family services in the Northern Territory. Together with chapter 9, they consider the merits of government agreeing on funding priorities for children and family services and put forward a suite of recommendations to this effect.

What about gaps in children and family services?

Many participants to this study expressed concern about gaps in services provision (CAYLUS and Tangentyere Council, sub. 6; Law Council and Law Society Northern Territory, sub. 24; NTCOSS, sub. 18). For example, Children's Ground said:

> For those most in need, service systems are often inaccessible, cannot respond to their multiple needs and these children and families are falling through the gaps of siloed service delivery. (sub. 23, p. 2)

Participants pointed to several areas where gaps were an issue. For example, NAAJA identified multiple instances of gaps in children and family services.

> In remote communities, whilst there may be some programs for children aged 0-5 we have observed that service availability can drop off from that age. Particular comment was made about the lack of mental health supports for young people in the Katherine region. In relation to parenting, whilst there are some programs for fathers in urban areas such as Darwin, this is very limited in remote communities … Staff expressed concern that there are generally no services that educate parents about child developmental delays, disabilities, and cognitive or behavioural needs such as [Fetal Alcohol Spectrum Disorder] … In relation to clients experiencing domestic and family violence, we are concerned about limited access to safe houses which may be due to the safe house being full or due to the age of the woman's male children which can lead to ineligibility. (sub. 28, p. 11)

Youth justice was also an area where service provision was said to be particularly inadequate, including the provision of: legal assistance services; appropriate, therapeutic and educational detention settings; supported bail accommodation for children; rehabilitation and therapeutic programs for young people who have committed sexual offences

(AMSANT, sub. 20; Law Council and Law Society Northern Territory, sub. 24; NAAJA, sub. 28).

The Commission examined whether it was possible to independently identify gaps in services using the data provided by government departments. Ultimately, it was not possible to do this, because:

- from the data, it is not possible to get a definitive picture of what services *are* provided, let alone what services are *not* provided
- the data does not provide insights about the need (or demand) for particular services (chapter 5) — without this information, it is not possible to determine whether the absence of a service is because a service is not needed or is indicative of a true service gap.

This reflects the experience of Empowered Communities – NPY Region (sub. 15), which in 2017 attempted to undertake an audit of service delivery across the NPY lands. One of the key objectives of that audit was to analyse gaps in service provision in that region, and to identify 'opportunities and other findings to assist with planning and decision making that ensures better outcomes for Anangu' (sub. 15, p. 13). Ultimately, however, it was not possible to identify service gaps due to the quality of the data and lack of information about needs.

3.2 Improving information about services

Improving information about services for decision makers

Overall, the data that government departments keep about expenditures is insufficient to capture information about what services are being provided by funding recipients, and where. This hinders the ability of decision makers to fully understand the service landscape — and hence make fully-informed and coordinated decisions about what to fund.

Better record-keeping in relation to where and what services are provided will facilitate tracking of how expenditures translate to services provided. In conjunction with information about who funds and delivers services, that information will also provide a stronger foundation for coordinated decision making about services delivery (chapter 6).

To enable this, Commonwealth and NT Government departments need to improve and harmonise the way in which they record information about the services they fund. In particular, the Commission considers that expenditure data could be vastly improved through two key changes.

First, government departments should develop and adopt a common geographical unit for reporting where funded services are provided. The unit adopted should be sufficiently granular so as to allow different service catchment areas to be distinguished from each other. Usually, a service catchment area refers to the geographic area over which a serviced population is distributed. But, in this case, given the sheer size of the Northern Territory, it should also reflect how far it is reasonable to expect a user to travel in order to access services

as needed. This would allow government departments to more accurately identify what geographical areas are (and are not) receiving particular services, as well as the set of services that are available in a particular area. The process of developing a common geographical unit should include a consideration of what constitutes a 'community' and how community boundaries are defined (chapter 6). The Commission is seeking feedback on how the concept of a service catchment area might be operationalised in practice.

Second, government departments should develop and adopt a common method for describing or categorising the types of services that are being funded. As discussed earlier in this chapter, the Commission developed a set of service categories for classifying what services were funded by various government departments, which were broadly based on the categories used in the GrantConnect database maintained by the Commonwealth Department of Finance. These categories could be used as a starting point for developing the common method to be used by government departments.

It is also important that the chosen geographical unit and service categories are adopted by all relevant Commonwealth and NT Government departments. This will enable governments to track the types of services that are being funded — and are available — in specific service catchments, which will facilitate more informed and coordinated decision making about future funding.

DRAFT RECOMMENDATION 3.1 **HARMONISE RECORD-KEEPING PRACTICES**

The Commonwealth and NT Governments should work together to develop a common method for:

- reporting location data at a level of granularity that reflects service catchment areas
- describing and categorising children and family services.

This method should be adopted by all relevant government departments for the purpose of keeping records and reporting about government expenditures, as they relate to services for children and families. The improved expenditure and services data should be used by the NT Government as a basis for putting together a single and cohesive service list that covers all of the Northern Territory (draft recommendation 3.2).

INFORMATION REQUEST 3.1

The Commission is seeking feedback on what geographical unit should be used for reporting where funded services are provided. Is the concept of a 'service catchment area' a useful touchstone for choosing or designing a geographical unit? How might it be operationalised in practice?

Improving information about services for the community

As discussed in section 3.1, information about what services are provided in specific communities cannot be readily obtained through expenditure records. The Commission also heard that families are often unaware of the services that are available in their local community — meaning that such information is not necessarily a matter of 'local knowledge'.

> There were conflicting views regarding community members' knowledge of services being delivered by local service providers in the community. Some organisations thought that people had a good awareness of what services were available and when, others thought there was very little awareness … There was consistent feedback that there was very little awareness of services provided by visiting service providers and therefore people were not accessing those services. (appendix B)

Inadequate information about service availability has been identified as an ongoing issue in numerous studies and inquiries prior to this one (PC 2017b; RCPDCNT 2017). It was for this reason that the Royal Commission recommended that the NT Government 'create and maintain a Services Register containing information about the services available in communities' (RCPDCNT 2017, vol. 3B, p. 39). In particular, the Royal Commission recommended that this be done in conjunction with service mapping.

> [Service mapping] would also identify services which exist but are underutilised, geographically inaccessible, not consistently available, or subject to entry criteria which limit their potential value … The Commission recommends that the results be maintained in a Service Register, listing currently funded programs and services available in each area. Funding, contract duration and evaluation information should also be included in the Register. The Register should be updated as services change, to ensure its continued value as an input to planning. The results could also inform a public online service directory. (RCPDCNT 2017, vol. 3B, pp. 249–250)

In response to this recommendation, the NT Government, through Territory Families, has taken steps to improve information about available services, including:

> … partnering with the Northern Territory Council of Social Services (NTCOSS) and investing $200,000 to publish an online service directory that allows staff and communities to explore the services available in their local area. (Territory Families 2018a, p. 21)

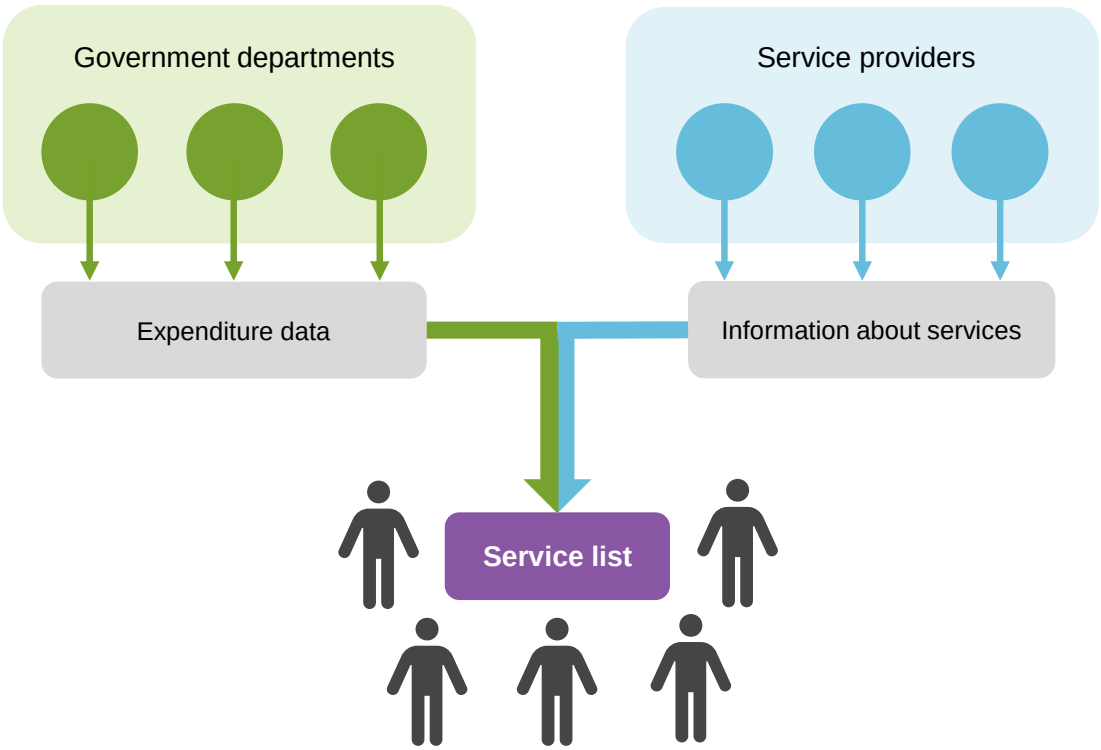
The NT Government also maintains the BushTel website, which includes a Community Directory that lists services available in communities in the Northern Territory.

> The BushTel website was launched in 2006 as part of the Northern Territory Government's initiative to provide information on remote communities including social, cultural and statistical information that would assist in achieving outcomes in the bush and allow for informed decision making. The BushTel site has been essentially unchanged since its launch with around 2000 users per month. In 2015, the NT Government committed to upgrading the system. The new BushTel takes advantage of advances in contemporary government systems and data sources to provide reliable and contemporary community information to those need[ing] it for planning and decision making. (NT Government 2019c)

And, over the past few years, there have been some attempts to put together service lists for particular regions in order to document the availability of services. In particular, the Commission is aware of multiple organisations being funded to collect information about what services are provided in specific regions. However, these service lists are not put together in a coordinated manner and, as such, cannot be aggregated to derive a complete picture of service provision in the Northern Territory.

The need for a single and cohesive list of services was still evident in this study. Improved expenditure data (draft recommendation 3.1) could lay the groundwork for a single and cohesive service list that covers all of the Northern Territory (figure 3.3). In particular, improvements in how information about services is kept would allow that information to be leveraged for the purpose of identifying what types of services are available. And improvements in recording location data could also be used to determine what services are available in a particular town or community.

Figure 3.3 **Putting together a service list**



To meet the needs of service users, the service list will also require input from providers — such as information about: the nature of services provided; when the service is available (days and hours of operation), including whether the service is provided on a permanent or visiting basis; where the service can be accessed; and any other requirements for attending (costs of attending, whether an appointment or booking is required). There could be a role for contract managers from relevant government departments (as part of their

relational contracting with service providers) (chapter 7) in managing the collection and entry of that information.

An important feature of this approach is that information about services is linked to government data about expenditures. This will allow decision makers to track how allocated funds are manifesting as services on the ground — linking government expenditure to service provision. Linked data could also facilitate monitoring and reporting in relation to what services are being provided and where (chapter 8). This is not possible if a user-facing service list is put together and maintained in isolation from government expenditure data.

Of course, to gain a complete picture of service availability, the list would also need to be supplemented with information about services funded through other means — such as through local governments, royalties or philanthropic efforts. There could be a role for local or regional organisations to collect and maintain that information, in a manner that is consistent with the information kept by the Commonwealth and NT Governments.

DRAFT RECOMMENDATION 3.2 **A PUBLIC CHILDREN AND FAMILY SERVICE LIST**

The NT Government should compile and maintain a single and cohesive service list that covers, at a minimum, children and family services funded by the Commonwealth and NT Governments in the Northern Territory. The service list should be made available to the public, in a manner that allows members of the public and service providers to easily identify the services that are available in their communities.

At a minimum, the service list should contain information about:

- the type(s) of service(s) provided
- who is eligible to receive the service
- the service provider (name and contact details)
- when the service is available (days and hours of operation), including whether the service is provided on a permanent or visiting basis
- where the service can be accessed
- other requirements for attending (costs of attending, whether an appointment or booking is required).

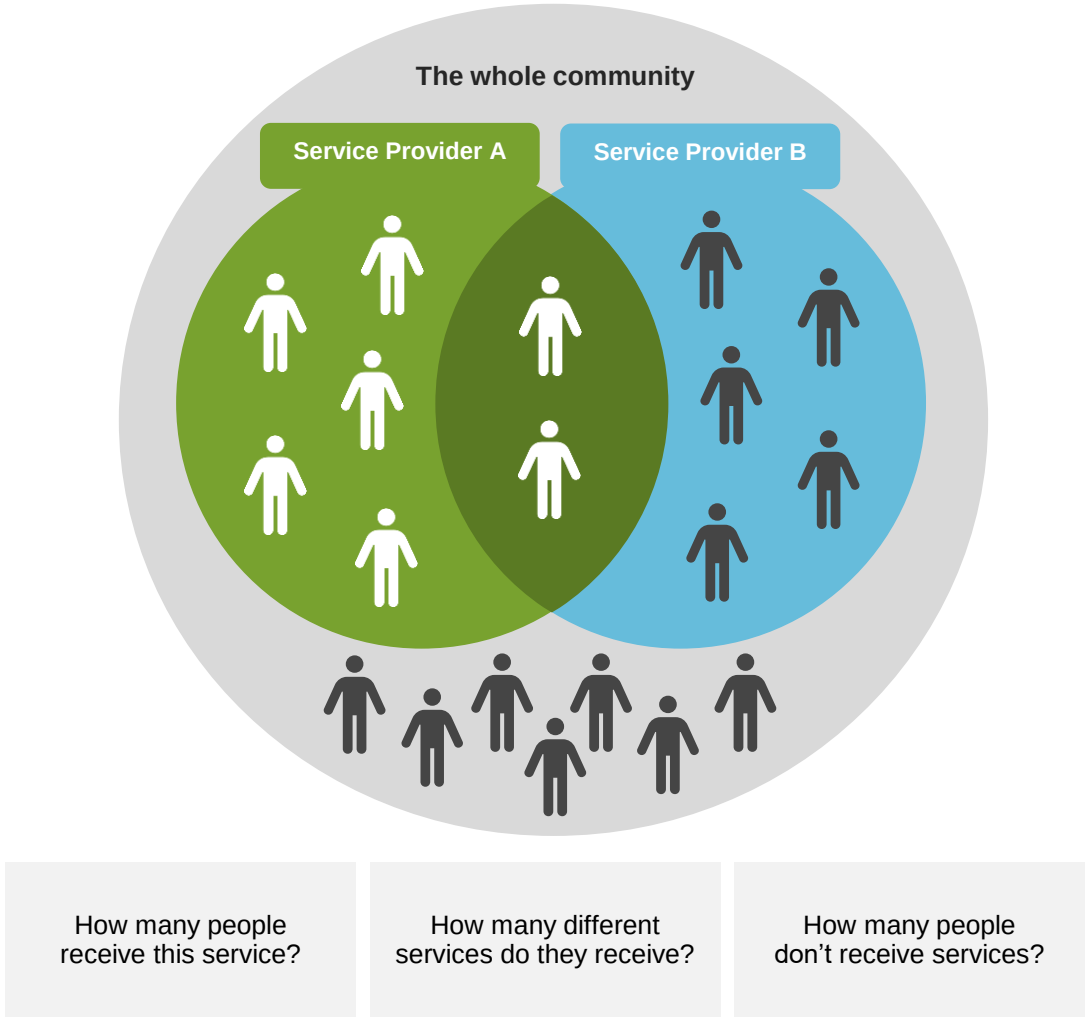
Over time the service list could be expanded to include services funded through other means such as royalties and philanthropic sources.

3.3 What about levels of access to services?

The terms of reference to this study ask that the Commission consider levels of access to services. Accordingly, the Commission also sought to understand the extent to which it is possible to identify who receives services. Noting privacy and confidentiality issues, the purpose of this line of enquiry was not to enable the Commission to report who specific

service recipients are. Rather, it was to ascertain levels of access to services (figure 3.4) — and whether departments are able to track how many people they reach through the services they fund and levels of access to those services.

Figure 3.4 **What do we mean by 'levels of access'?**



To date, the Commission has received limited information about levels of access to services. Although individual service providers may keep records of the number of individuals or families who access their services, this information is usually not shared with other service providers.

> Service providers also raised the issue that they were unaware of what services, if any, clients were accessing from other service providers. This meant that if a client stopped using their service, the service provider would be unaware if the client was accessing assistance from other providers or whether they had simply stopped accessing the service. (appendix B)

The Commission understands that some departments collect information about levels of access from service providers. For example, the Department of Social Services collects

information from service providers about outputs and outcomes through its Data Exchange system, which may indirectly track levels of access.

> The department uses the Data Exchange to measure how grants … are being delivered. The Data Exchange is a program performance reporting tool developed for organisations to collect a small set of data consistently across program areas. This information is shared back with organisations through a set of self-service reports to inform best practice and early intervention approaches to service delivery. (sub. 26, p. 6)

And, for the Indigenous Advancement Strategy, the National Indigenous Australians Agency, through its KPI system, records the numbers of people accessing different types of services, in addition to some attendance and participation measures.

On the whole, however, it appears that information collection tends to focus on levels of access from the perspective of individual services — that is, how many people receive a particular service? What is missing is a consideration of access from the perspective of the service users, both at an individual level (how many services does a person receive?) and at a community level (what share of the community accesses services?).

The issue of access to services will be an area for further consideration for the final report.

4 Sharing responsibility

Key points

- The Commonwealth, Northern Territory and Local Governments all play a role in the delivery of children and family services in the Northern Territory. They pursue shared outcomes for keeping children safe and well, while also sharing responsibility for specific service areas that contribute to these outcomes.
- A clear delineation in the responsibilities of each government could, in principle, enhance accountability for children and family outcomes. However, in practice, any fundamental realignment in the Commonwealth's role in the Northern Territory is likely to be complex to implement and highly contested. It is also unnecessary for making considerable improvements in the short-term, including to how services are selected, contracted and coordinated.
- Because governments share responsibility for children and family services and outcomes, it is imperative that they work collaboratively and in a coordinated way.
- There is currently inadequate coordination between the Commonwealth and NT Governments in delivering services to children and families in the Northern Territory, or across the National Indigenous Australians Agency and the Department of Social Services within the Commonwealth Government.
  - Most funding and contracting decisions are made in Canberra and Darwin. There is little information sharing and local knowledge is underutilised, meaning that decisions are made with limited understanding of the actions of other government departments.
- There are many different programs that operate with the purpose of coordinating service delivery locally, such as by facilitating information sharing between service providers. Some are funded to operate in the same location, and there is duplication in their responsibilities.
- In response to the *Royal Commission into the Protection and Detention of Children in the Northern Territory*, the Commonwealth and NT Governments are undertaking a range of reforms that aim to improve coordination at the policy, funding and service delivery levels.
  - The Children and Families Tripartite Forum was established following the Royal Commission to provide advice to governments on reforms. It has the potential to improve coordination between the Commonwealth and NT Governments at the policy and funding levels, but it is too early to tell how successful it will be.
  - Overall, the Commonwealth and NT Governments continue to pursue initiatives that aim to improve children and family services in relative isolation, which contributes to fragmentation, leads to inefficiencies in service delivery and complicates coordination efforts. In the absence of better coordination, the likelihood of better outcomes for children and families is much reduced.

Efforts to protect children are provided through a complex system, involving three levels of government and many government agencies and non-government organisations. Given the

multitude of parties involved, it is imperative that they collaborate and provide a coordinated response to preventing child harm.

This chapter explores the roles, responsibilities and objectives of the Commonwealth and NT Governments in delivering children and family services, and how this responsibility is shared (section 4.1). It then examines the institutional arrangements that support coordination of services at the policy, program and service delivery levels (section 4.2) and related reforms being progressed by governments in response to the *Royal Commission into the Protection and Detention of Children in the Northern Territory* (Royal Commission) (section 4.3).

4.1 Roles and responsibilities

Parents, families, communities, and governments all play a role in protecting children. The Commonwealth, State and Territory Governments provide a wide variety of universal supports for families and children as well as more targeted services to prevent and respond to child harm. Some of these services are directly provided by government entities (such as schools and child protection services), although a substantial share has been outsourced to the not-for-profit and community sectors (comprising non-government and Aboriginal organisations, some of these also source funding for additional services from philanthropic donations and income from land use agreements). Local governments also play a role in delivering services, particularly in remote communities (chapter 2).

There is no clear delineation of responsibility for the outcomes for children and families. Rather, governments work together to achieve their intended outcomes — which are outlined in various national plans and strategies.

National plans outline shared responsibility for outcomes

The roles of each level of government are set out across a diverse range of plans, strategies and intergovernmental agreements. The two most relevant are the *National Framework for Protecting Australia's Children 2009–2020* (National Framework) and the *National Plan to Reduce Violence against Women and their Children 2010–2022* (National Plan), both of which were endorsed by all jurisdictions through the Council of Australian Governments (COAG). Under the National Framework and National Plan, action plans are also prepared every three years to outline the short-term policy actions of government.

National Framework for Protecting Australia's Children

The National Framework sets out the roles of governments in providing services that prevent harm to children; desired outcomes for children; and strategies for governments in keeping children safe. The National Framework's objectives are intended to guide the actions of governments in setting policies and delivering services for children and families. The

high-level objective of the National Framework is that 'Australia's children and young people are safe and well' (COAG 2009, p. 11). It has six supporting outcomes:

- children live in safe and supportive families and communities
- children and families access adequate support to promote safety and intervene early
- risk factors for child abuse and neglect are addressed
- children who have been abused or neglected receive the support and care they need for their safety and wellbeing
- Indigenous children are supported and safe in their families and communities
- child sexual abuse and exploitation is prevented and survivors receive adequate support (COAG 2009, p. 11).

The supporting outcomes highlight the commitment of governments to adopt a public health approach, where the focus is on assisting families early enough to prevent abuse and neglect. A key message of the National Framework is that protecting children is everyone's responsibility (box 4.1).

Box 4.1 The National Framework outlines shared responsibility

Under the *National Framework for Protecting Australia's Children*, everyone has a responsibility.

- Parents, families and communities all have a role to support and protect children.
- Non-government organisations deliver services (including on behalf of governments), contribute to the development of policy, programs and the evidence base, and actively promote child safety, protection, rights and wellbeing.
- Local governments deliver a range of services to vulnerable families, including youth and family centres and local infrastructure, and play a pivotal role in engaging vulnerable children and their families in those services.
- The role of States and Territories is to 'deliver a range of universal services and early intervention initiatives to prevent child abuse and neglect, and fund and coordinate many services by the non-government sector'. This includes therapeutic services for families, children and young people, health and education services and youth justice. State and Territory Governments are also responsible for statutory child protection systems.
- The Commonwealth's role is to deliver 'universal support and services to help families raise their children, along with a range of targeted early intervention services to families and children'. This includes family payments, child and parenting support services, family relationship services and the family law system. The Commonwealth also provides more targeted services for individuals and families such as mental health, substance abuse and intensive parenting services.

Source: COAG (2009, pp. 12–13).

The National Framework recognises that a wide range of services — beyond what are normally considered to be children and family services — are relevant to preventing harm to children under a public health approach. Although some services, such as family law or statutory child protection, are clearly the responsibility of one government under the National Framework, it does not clearly delineate responsibility for all children and family services and in many cases, both levels of government have assumed some degree of responsibility for service provision (box 4.1). The National Framework expires in 2020, with the Commonwealth Government having committed to developing a new, post-2020, National Framework (Australian Government 2018a, p. 11).

National Plan to Reduce Violence against Women and their Children

The National Plan outlines objectives and the key actions that governments should undertake to reduce family violence. Its vision is that 'Australian women and their children live free from violence in safe communities' (DSS 2010, p. 10). It has six national target outcomes:

- communities are safe and free from violence
- relationships are respectful
- Indigenous communities are strengthened
- services meet the needs of women and their children experiencing violence
- justice responses are effective
- perpetrators stop their violence and are held to account (DSS 2010, pp. 14–29).

Many of the agreed actions for delivering on the national outcomes are a shared responsibility of both levels of government and many are broad. For example, one of the agreed actions is to 'improve services for Indigenous women and their children' and is a shared responsibility for the Commonwealth, States and Territories (DSS 2010, p. 22). The obligations of the Commonwealth, State and Territory Governments to deliver on this strategy are not clearly defined. The National Plan is intended to work in tandem with the *National Framework for Protecting Australia's Children* (DSS 2010, p. 8), but it is not clear how these two documents complement each other and there is a lack of external oversight to ensure governments comply with their commitments (SCARC 2015, pp. 52–54).

Intergovernmental agreements set out responsibilities in many related areas

There are other policy agreements that cover a wide range of service areas (of direct or indirect relevance to preventing harm to children) that commit governments to sharing responsibility for outcomes, and for the actions needed to achieve these outcomes (table 4.1). The *National Indigenous Reform Agreement*, which was established to frame the task of 'closing the gap' in Indigenous disadvantage, ascribes all activities as a shared responsibility between the Commonwealth and State and Territory governments. No activities under the

agreement are the sole responsibility of either the Commonwealth or State and Territory governments (COAG 2012).

The Commonwealth provides tied funding to the NT Government through a number of National Partnership Agreements (table 4.1). These agreements set out roles and responsibilities for how the tied funding is to be spent in relation to specific policy areas. But they highlight a commitment to shared responsibility for outcomes and the services funded to achieve those outcomes. For example, the Commonwealth provides funding to the NT Government through the *National Partnership on Northern Territory Remote Aboriginal Investment* to be spent on improving school readiness, safety, health and housing (COAG 2016, p. 3). Some of these outcomes are also targeted by the Commonwealth Government through the Indigenous Advancement Strategy (IAS).

Table 4.1 **Intergovernmental agreements relevant to the prevention of harm to children in the Northern Territory**

Agreement	*Signatories*	*Policy areas covered*	*Funding arrangements*	*Responsibility*
Policy agreements:				
National Indigenous Reform Agreement 2008–ongoing	Commonwealth plus all States and Territories	Early childhood, schooling, health, economic participation, housing, community safety, governance	None	Shared
Agreement on Northern Territory Aboriginal Health and Wellbeing 2015–2020	Commonwealth, NT, Aboriginal Medical Services Alliance Northern Territory	Primary health	Commonwealth and NT agree on where funding under existing programs should be prioritised	Shared
Funding agreements:				
National Housing and Homelessness Agreement 2018–2023	Commonwealth plus all States and Territories	Housing, homelessness	Commonwealth to provide an estimated $98.5 million to NT over 5 years	Delineated
National Partnership on Northern Territory Remote Aboriginal Investment 2015–2022	Commonwealth, NT	School education, community safety, health, interpreter services, housing, employment	Commonwealth to provide $986 million to NT over 7 years (plus $43 million for non-government schools)	Delineated
National Partnership for Remote Housing Northern Territory 2018–2023	Commonwealth, NT	Social housing	Commonwealth to provide up to $550 million to NT over 5 years (matched by NT)	Delineated
National Partnership on Universal Access to Early Childhood Education 2017–2020	Commonwealth plus all States and Territories	Early childhood education	Commonwealth to provide up to $9.6 million to NT over 3 years	Delineated

The Commonwealth has a hands-on role in the Northern Territory

Funding for children and family services is more complex in the Northern Territory than in other jurisdictions because the Commonwealth has a more hands-on role in directly funding children and family services. The Commonwealth funds, designs and delivers a wide range of programs and services, including both 'top-down' programs (designed by government departments, often Australia-wide) and 'bottom-up' initiatives (proposals made by specific providers or community groups). The Commission's stocktake of government expenditure estimates that Commonwealth programs directly fund about 40 per cent of children and family services in the Northern Territory. This figure rises to about 60 per cent when the NT Government's expenditure on operational costs and employees is excluded (chapter 2).

The Commonwealth's involvement stems, in part, from its role in Aboriginal and Torres Strait Islander policy and the Northern Territory having a high proportion of Aboriginal and Torres Strait Islander Australians.[1] Direct Commonwealth expenditure on Aboriginal and Torres Strait Islander Australians (per capita) is significantly higher in the Northern Territory than for other Australian jurisdictions, driven in part by the majority of Aboriginal and Torres Strait Islander Territorians living in very remote and often disadvantaged areas.[2] For example, about 25 per cent of Commonwealth funding provided through the IAS has been for activities in the Northern Territory, despite only 10 per cent of Aboriginal and Torres Strait Islander Australians living there (RCPDCNT 2017, vol. 1, p. 230).

This involvement occurs in the context of the Northern Territory having long had the highest level of vertical fiscal imbalance in the Federation — its expenditures vastly outweigh its revenues. Expenditure needs are high largely because of the small and dispersed population (with 40 per cent of people living in remote or very remote areas), the high cost of providing services and infrastructure in remote areas, and the relatively complex needs of its Aboriginal and Torres Strait Islander population, which stem from a range of historical factors (ABS 2019d). The NT Government is heavily reliant on transfers from the Commonwealth to fill its fiscal gap. About 47 per cent of its budget comprises untied funding from the GST distribution, and a further 22 per cent is tied funding including that provided under National Partnership Agreements (NT Government 2018a, pp. 55, 57) — these agreements represent further Commonwealth involvement in determining how services are provided in the Northern Territory.

The Commonwealth Government's current role in funding children and family services in the Northern Territory can perhaps best be summarised as funding services where it perceives there is an unaddressed need. In principle, this could be a beneficial role given the challenges the NT Government faces in funding and delivering services. But in practice, the

1 About 30 per cent of Northern Territory residents are Aboriginal and/or Torres Strait Islander. Nationally, this figure is 3 per cent. The jurisdiction with the second highest proportion of Aboriginal and Torres Strait Islander residents is Tasmania, at 5.5 per cent (ABS 2018b).

2 Direct Commonwealth expenditure on Aboriginal and Torres Strait Islander Australians in the Northern Territory was $26 287 per person in 2015-16, compared to a national average of $19 697 per person (SCRGSP 2017).

way gaps are being identified and filled has become ad hoc, fragmented and inefficient — meaning that it is not clear whether services are meeting the needs and priorities of communities (chapter 5). The strong emphasis on competitive grant processes often exacerbates these failings (chapter 7).

Many services are being funded by both governments

The Commission's stocktake of government expenditure provides some evidence for where roles and responsibilities appear to be unclear or shared between the Commonwealth and NT Governments (chapter 3). Key areas where services and activities are being funded by both levels of government include:

- services aimed at addressing domestic, family and sexual violence, such as the operation of safe houses and shelters
- crime, justice and legal services, such as youth diversion services
- community development services, such as services or events to promote leadership and community resilience
- sport, recreation, culture and wellbeing services, such as youth engagement services.

Services under these categories are identified in the stocktake as being funded by both levels of government, and sometimes by multiple agencies within that government. For example, both the National Indigenous Australians Agency (NIAA) and Department of Social Services (DSS) fund similar activities that aim to support victims of family violence (chapter 2). As noted in chapter 3, the involvement of multiple agencies or both levels of government does not necessarily translate into duplication of services on the ground, but it does emphasise the need for coordination between governments.

The challenges of shared responsibility

Shared responsibility between governments for outcomes and some aspects of service delivery comes with some risks and a considerable coordination challenge. Where government responsibility for services overlaps, it can, and has, resulted in governments funding the same types of services.

A clear demarcation of which government is responsible for which service area could, in theory, enhance accountability for outcomes. A principle that is often invoked when considering the assignment of roles and responsibilities across levels of government is subsidiarity — that service delivery is, as far as practicable, delivered by the level of government closest to the people receiving those services. This reflects that sub-national governments are likely to have greater knowledge about the citizens affected by their policies, and makes it easier to constrain the ability of elected representatives to pursue their own agendas to the disadvantage of citizens they represent (at least in theory). In contrast, a function should be assigned to a higher level of government where activities in one jurisdiction have

significant spillover impacts on other jurisdictions, or there are cost or transactional efficiencies to be gained from undertaking a function centrally (PC 2006, p. 27).

The subsidiarity principle arguably points towards a paring back of the Commonwealth's role in the Northern Territory — at least in terms of selecting services and directing how they are provided. However, a realignment of roles and responsibilities based on the subsidiarity principle would be impractical and risk creating unintended consequences.

- The Commonwealth's role in Aboriginal and Torres Strait Islander policy has meant that many Aboriginal Community Controlled Organisations have become heavily reliant on Commonwealth grant funding to deliver a broad range of services in remote communities — substantive change could risk considerable upheaval.
- Many families associate NT Government funded services with child protection, and may be reluctant to engage with those services for fear of having children removed (RCPDCNT 2017, vol. 1, pp. 94–95).
- Some community organisations and stakeholders expressed concern about the NT Government's current capacity to take on a greater role in managing and delivering children and family services (Julie Bailey, sub. 14, p. 8; Yothu Yindi Foundation 2019).
- Others highlighted the pace of policy change and governments constantly 'shifting the goalposts', with the effect of undermining confidence in both levels of government (NAAJA, sub. 28, att. C, p. 7).

In the short term, delineating the roles and responsibilities for children and family services is likely to be contested and protracted, and could become a distraction that slows current reform efforts. Efforts to delineate responsibilities also bring with them the risk of creating new funding silos and undermining cooperation if each government were less committed to shared outcomes as a result (or less committed to providing as much funding as it does now).

Substantial improvements to service delivery can be made without trying to codify or realign the responsibilities of each government. Although clearer roles and responsibilities would be desirable in the long term, efforts to achieve this now could prove counterproductive. In any case, a new process to coordinate funding decisions between governments (proposed in chapter 6) is likely to result in clearer responsibilities evolving organically.

DRAFT FINDING 4.1

In each area of children and family services, the roles and responsibilities of the Commonwealth and NT Governments are unclear and often overlap. This makes it imperative for them to work cooperatively in a coordinated way to meet shared outcomes.

Clearer roles and responsibilities would be desirable in the long term, but should not be pursued at the expense of other reforms or a more coordinated funding process.

4.2 Current arrangements for coordination

Shared responsibility for children and family services and outcomes significantly increases the need for the Commonwealth and NT Governments to collaborate and coordinate their efforts. But there is currently a lack of coordination between, and within, the Commonwealth and NT Governments at the program and service delivery levels.

There is inadequate coordination between governments to ensure that they collectively provide funding for a set of services that address the needs and priorities of children, families and communities. Most decisions are centrally made in Canberra or Darwin, by decision makers who have limited connections with communities or knowledge of what other services are available in a community (chapter 5). Regional government representatives (whose roles were established, in-part, to provide on-the-ground information to their central counterparts) are underutilised as a source of information.

Coordination at a local level is also needed, through sharing information (and referrals), encouraging access to services and providing holistic ('wrap around') care to children and families. But this is often not the case in the Northern Territory where no one has a complete picture of what services are being delivered in any one community or who is accessing which services (chapter 3). Service providers work within this complex system in an attempt to provide integrated services that meet community needs. Many bodies — and sometimes multiple bodies in the same place — have been established by governments and communities to ensure service providers share information, but with limited effectiveness.

There is little coordination across and within governments

The lack of coordination across and within governments in delivering children and family services, particularly in relation to Aboriginal and Torres Strait Islander communities, is a longstanding issue. In 1997, the National Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from Their Families (the *Bringing them Home* report) noted the lack of government coordination in the delivery of programs to Aboriginal and Torres Strait Islander people. It recommended that COAG develop a national framework for the implementation of self-determination that 'binds the Commonwealth and every State and Territory Government' (HREOC 1997, p. 509). More recently, the Royal Commission found that:

> Funding arrangements in the Northern Territory appear to be characterised by a lack of coordination between the Northern Territory and Commonwealth Governments, and within each government. (RCPDCNT 2017, vol. 1, p. 233)

The Royal Commission's key recommendation to improve policy coordination between governments was to establish the Children and Families Tripartite Forum (Tripartite Forum) to replace the Aboriginal Affairs Bi-lateral Coordination Group. The Tripartite Forum was established in July 2018. It is intended to be the key forum for coordination between the Commonwealth and NT Governments on high-level policy objectives and service delivery

(section 4.3). Other initiatives that seek to improve coordination of funding and services on a regional scale are in their infancy, and only the Barkly Regional Deal and the Yolŋu Region Local Decision Making Partnership Agreement involve both the Commonwealth and NT Governments (chapter 1).

Coordination of program objectives and funding within the Commonwealth

The Commonwealth Government provides direct funding for children and family services in the Northern Territory largely through grants to third-party providers, with most funding being provided through the:

- Families and Communities program, administered by DSS
- IAS, administered by the NIAA (chapter 2).

Each program outlines broad outcomes for children and families and the program guidelines outline the types of services each funds to achieve these outcomes (box 4.2). The relationship between these programs is not explicit, and there appears to be little coordination of program outcomes between agencies. DSS and the NIAA formally participate in the Tripartite Forum and through meetings between key agencies to address the Royal Commission's recommendations (but neither agency pointed to an established, formal mechanism at a Commonwealth level where relevant agencies meet to discuss policy objectives and the overlaps in their programs that seek to achieve these objectives). The Royal Commission also found that informal communication and planning between the two agencies is limited (RCPDCNT 2017, vol. 1, p. 235).

The objectives for DSS' Families and Communities program and the IAS Children and Schooling program are similar (figure 4.1), leading to considerable overlap in the services funded under these programs. For example, the boundaries of the Communities for Children Facilitating Partner program (funded by DSS) and Stronger Communities for Children program (funded by NIAA) overlap (as demonstrated below).

Further, it is not always clear how the programs' desired outcomes translate into the activities funded by departments responsible for these programs. The Australian National Audit Office's (ANAO) 2017 audit of the IAS found that clearer links could be established between funded activities and program outcomes (ANAO 2017, p. 8). More recently, the ANAO (2019a, p. 9) found that DSS could not demonstrate that the actions taken to address the National Plan collectively contributed to the Plan's outcomes.

The lack of coordination within governments of their program objectives and associated funding decisions impacts how well they are collectively funding the range of services needed to provide better outcomes for children and families.

Box 4.2 Objectives of the main Commonwealth funding programs

Families and Communities Program

The Families and Communities Program is a broad program that aims to 'support families, improve children's wellbeing and … enhance family and community functioning' (DSS 2017, p. 6). About $28 million (5 per cent of expenditure identified in the stocktake) from the Families and Communities program was spent on children and family services in the Northern Territory in 2018-19 (chapter 2). Many of the children and family services are funded under the Families and Children activity, which is made up of various sub-activities (figure 4.1), including:

- family law services — which aim to provide alternatives to formal legal processes for families who are separated, separating or in dispute to improve their relationships and make arrangements in the best interests of their children
- family and relationship services — which aim to strengthen family relationships, prevent breakdown and ensure the wellbeing and safety of children
- Communities for Children Facilitating Partners — which aim to deliver positive and sustainable outcomes for children and families in disadvantaged communities throughout Australia
- children and parenting services — which aim to improve children's development and wellbeing and supporting the capacity of those in a parenting role (DSS 2017, pp. 7, 9–10).

Indigenous Advancement Strategy

The Indigenous Advancement Strategy (IAS) was established in 2014 to reduce administration and simplify the delivery of services for Aboriginal and Torres Strait Islander Australians. It replaced 27 programs, administered by eight different Commonwealth agencies. The IAS deliberately defined broad objectives to allow these previous programs to be brought together (ANAO 2017, p. 20). The IAS is a major source of funding for service providers in the Northern Territory, providing about one third of funding for children and family services identified in the Commission's stocktake (chapter 2).

The intended outcome of the IAS is to 'improve results for Indigenous Australians including in relation to school attendance, employment and community safety, through delivering services and programs, and through measures that recognise the place that Indigenous people hold in this nation' (ANAO 2017, p. 20).The IAS funds a broad range of children and family support services through the Children and Schooling and Safety and Wellbeing programs, but does not have specific objectives related to preventing harm to children. The objectives of the Children and Schooling Program are to:

- support families to give children a good start in life through improved early childhood development, care, education and school readiness
- get children to school
- improve literacy and numeracy
- support successful transitions to further education and work.

The objectives of the Safety and Wellbeing Program are to:

- ensure that the ordinary law of the land applies to Indigenous communities
- ensure Indigenous Australians enjoy similar levels of physical, emotional and social wellbeing as those enjoyed by other Australians (NIAA 2019b, pp. 37, 40).

Coordination of program objectives and funding within the NT Government

Territory Families is the main NT Government agency responsible for delivering children and family services, including statutory child protection. Other departments and agencies also deliver and fund some children and family services (chapter 2).

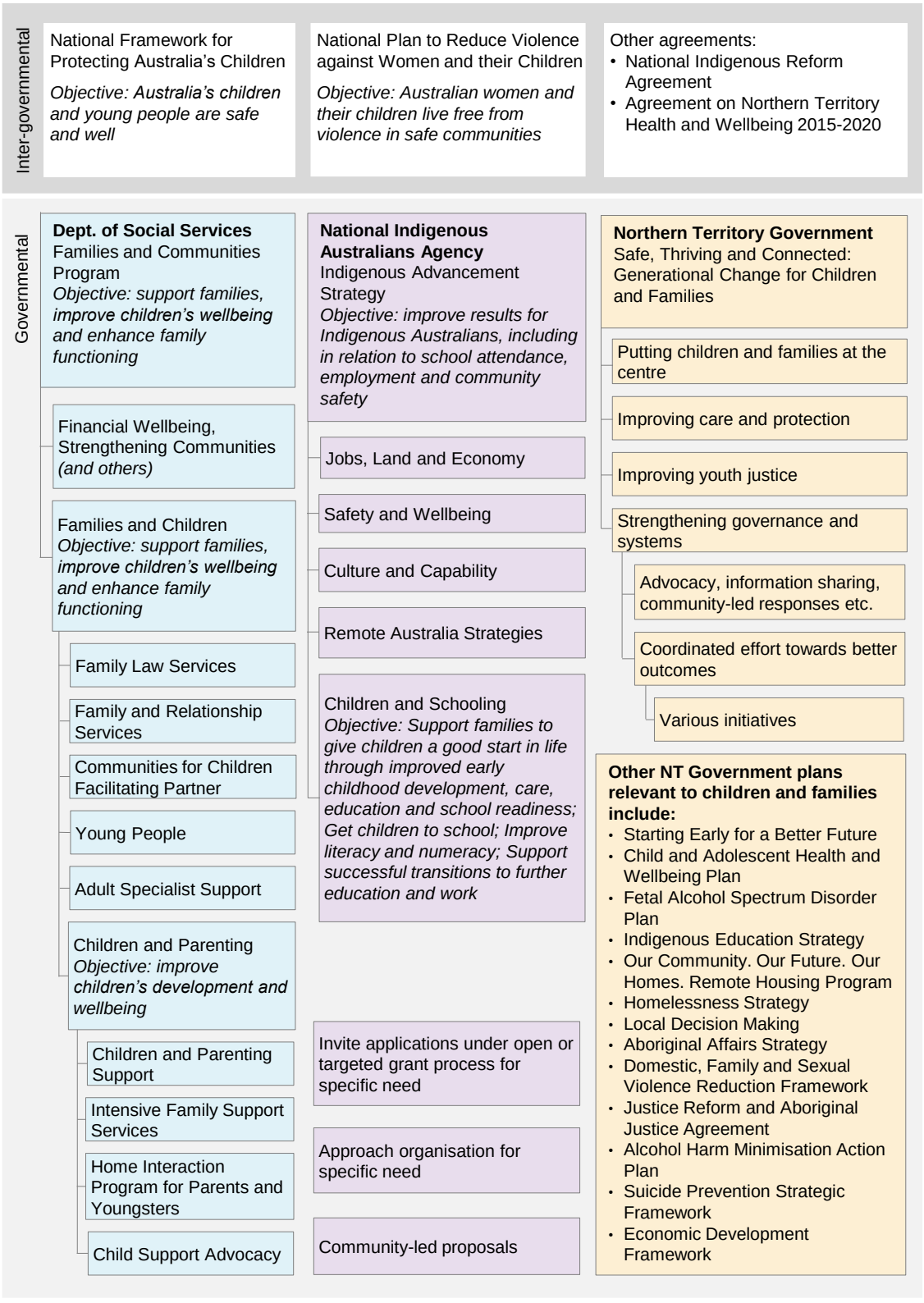
The NT Government has developed a plethora of strategic plans and frameworks spanning a range of service areas, with 14 relevant to children and families. All of the plans and frameworks are intended to guide the actions of government agencies in delivering services (figure 4.1). The existing plans have considerable overlap in ascribing objectives and strategies for children and families, although they sometimes acknowledge where this occurs. Further, there appears to be little link between these plans and the policy actions and funding decisions of NT Government agencies. For example, none of the NT Government-wide strategic plans listed in figure 4.1 are referred to in the Territory Families Strategic Plan (Territory Families 2017).

In addition to the current frameworks, the NT Government (sub. 31, p. 9) is developing a *Social Outcomes Framework*, which is anticipated to become the overarching framework under which all reform specific outcomes are developed. The framework is intended to inform the development of the ten-year strategic plan, called the *Generational Strategy for Children and Families* (Generational Strategy), as recommended by the Royal Commission.

The NT Government has put in place several structures to support coordination between its agencies. In 2016, it established the Children's Sub-Committee of Cabinet — consisting of senior ministers whose portfolios concern children — and the Children and Families Standing Committee — consisting of senior officials. The committees are intended to drive inter-departmental coordination on policy and service delivery. These committees also oversee the implementation of the *Safe, Thriving and Connected* response to the Royal Commission (NT Government 2018e, p. 8). The Royal Commission recommended that both committees remain permanent bodies responsible for reform, policy and strategy (RCPDCNT 2017, vol. 4, p. 80). The NT Government has also developed the *Remote Engagement and Coordination Strategy*, which aims to improve coordination of services (NT Government 2016, p. 1).

Despite having structures to enable coordination across agencies, study participants raised some concerns that the NT Government does not always provide services that complement other services or meet community need. For example, Kathy Bannister (a team leader for a Communities for Children Facilitating Partner) said that Territory Families had provided funding for Grow Well Live Well (discussed below) to implement a collective impact approach in Palmerston. However, the Department of the Chief Minister later announced a number of initiatives in Palmerston without consulting Grow Well Live Well (sub. 29, pp. 6−7).

Figure 4.1 **Representative structure of government programs**



Sources: ANAO (2017, p. 20); COAG (2009, p. 11), DSS (2010, p. 10), DSS (2017, pp. 6–12); NIAA (2019b, pp. 5, 8, 37), NT Government (2018f, p. 7), NT Government (2018g, p. 7).

Regional networks are underutilised as a source of information

Government agencies do not have full information about the services they fund, let alone the services that other agencies fund (chapter 3). To help fill this information gap, regional networks have been established and play an important role in collecting local information for their colleagues in Canberra and Darwin. Such information is intended to help inform the decisions of governments to provide funding for services that meet community needs, with consideration of the services already available. Each of the three main funding agencies has its own regional network.

National Indigenous Australians Agency

The NIAA Regional Network covers 12 regions across Australia. The Northern Territory is split into three regions — Arnhem Land and Groote Eylandt, Top End and Tiwi Islands, and Central Australia — and 171 staff are employed (ANAO 2018, p. 26) across five regional offices. The Regional Network was established in 2015 by the Department of the Prime Minister and Cabinet (ANAO 2018, p. 7), and was transferred to the NIAA when it became a separate organisation in July 2019.

The Network's role is to 'support active engagement with communities and for intelligence gathered by the Network to be fed to centralised policy areas to support continual improvements to policy and program design' (ANAO 2018, p. 14). However, an audit of the Regional Network found that it had inconsistent input into policy and program development, with limited authority to make decisions (ANAO 2018, p. 36). It also found that the Regional Network had not developed or implemented a communication framework, which risks stakeholder confusion and consultation fatigue (ANAO 2018, p. 36). The Australian Government accepted the ANAO's recommendations and is addressing them through a review of the Regional Network — the Recalibration Project — which began in 2018 (ANAO 2018, pp. 11, 61–62). The Recalibration Project sought to redefine the role of the Regional Network, including positioning it to be involved in policy and program development. Limited information about the project is publicly available, but Regional Network staff have raised concerns that the changes to the Regional Network risks negatively affecting their relationships with Aboriginal and Torres Strait Islander communities (CPSU 2019, p. 11).

Department of Social Services

DSS has a network which includes offices in every capital city and some regional cities. The DSS network is intended to improve the impact and management of its policies, programs and initiatives (DSS 2014d). It has 18 staff in Darwin, but does not have regional offices elsewhere in the Northern Territory (DSS 2018b, p. 10), and it is unclear whether it makes use of the NIAA Regional Network. Thus, its ability to capture learnings on the ground appears very limited. Many decisions about where to fund services are made centrally, without the benefit of community-level data or indicators of need, although there are some

exceptions where local facilitating partners involve communities in deciding which services they receive (chapter 5, box 5.5).

NT Government

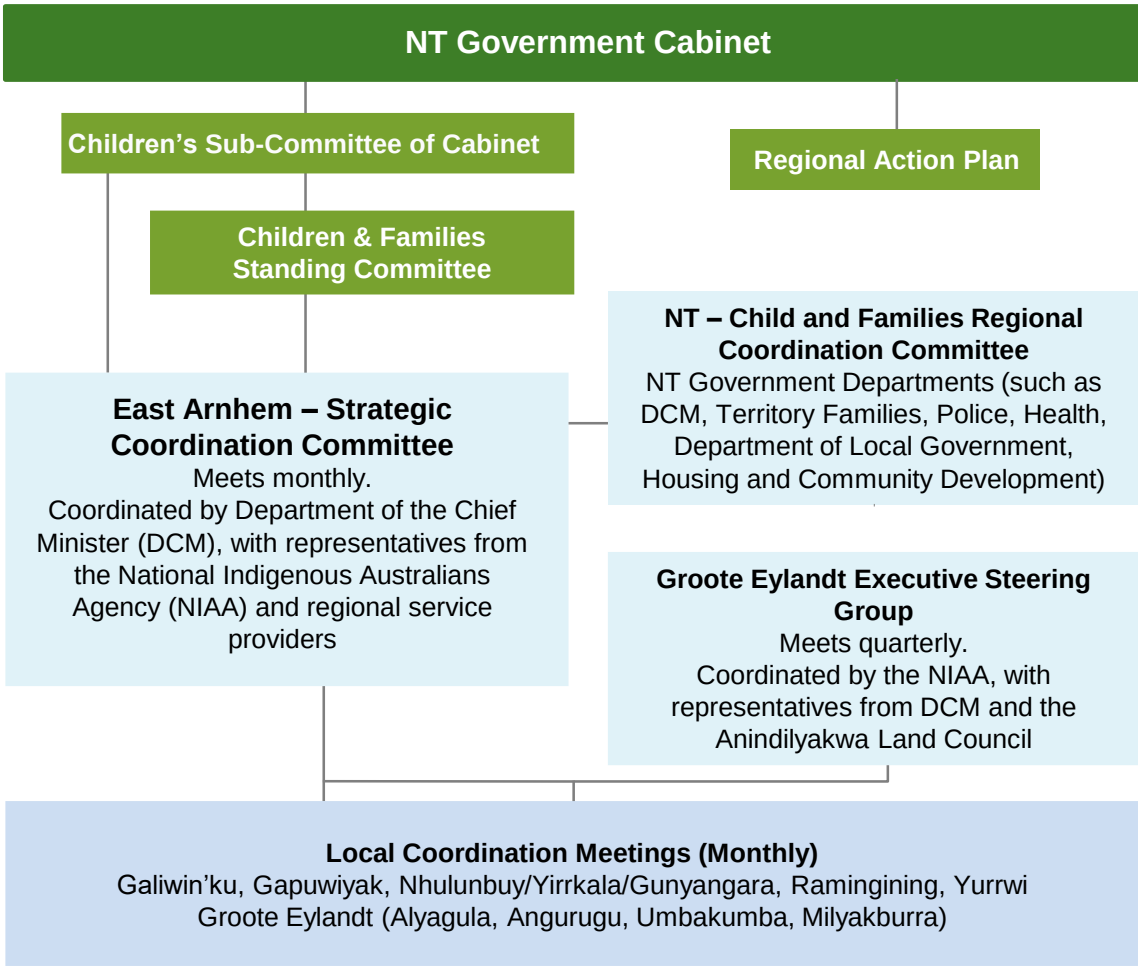
The Department of the Chief Minister's (DCM) Regional Network covers five regions (Central, Barkly, Big Rivers, East Arnhem, Top End) and many other NT Government agencies (including Territory Families) have a presence within these regions. The NT Government also has various committees to support the coordination of children and family services within each region (figure 4.2). At a regional level, the Strategic Coordination Committee includes representatives from the Commonwealth Government (NIAA) and the NT Government (Department of the Chief Minister), as well as key regional stakeholders (discussed below). The NT Government also has Regional Coordination Committees — involving regional representatives from many NT Government agencies — which meet with the purpose of aligning government activities to community priorities (NT DCM 2018, p. 25).

DCM has the lead responsibility for coordinating the NT Government's services at a regional level by identifying regional priorities and working with NT Government agencies and non-government organisations to coordinate services and meet those priorities (NT DCM 2018, p. 24). Regional representatives of agencies who fund services for families in the region (such as Territory Families) also provide local input into their agency's decision making. DCM's regional network, and the various regional-level coordination committees are expected to play a key role in delivering the NT Government's Local Decision Making policy (chapter 1).

Information sharing between regional networks

The Commission heard that formal arrangements to coordinate programs and services between the Commonwealth and NT Governments have recently been established for each of the Northern Territory regions. As noted above, Strategic Coordination Committees have been (or are in the process of being) established. For example, the East Arnhem Strategic Coordination Committee comprises representatives from the Commonwealth, NT Government and local Aboriginal organisations and service providers. It meets with the aim of improving coordination across governments to identify service gaps, needs and regional priorities for children and family services (figure 4.2). A similar committee exists to discuss regional economic development. These committees are still largely in the establishment phase, but there are some early signs of coordination delivering positive outcomes. For example, the East Arnhem Strategic Coordination Committee recently undertook work to determine the best location for a new Child and Family Centre in East Arnhem. The decision considered community needs and the services currently available using both Commonwealth and NT Government information (DCM, pers. comm., 25 September 2019).

Figure 4.2 **Coordination committees relevant to children and families in the East Arnhem region**



Source: Productivity Commission, based on information provided by the Department of the Chief Minister.

The Commission understands that there are plans to establish similar committees with Commonwealth, NT Government and community representatives in the other regions within the Northern Territory — although details of this are still being determined.

The bottom line on regional networks

Regional networks appear to be underutilised as a source of advice and information to central decision makers. The Commission heard from some study participants that the advice of regional network officers is not always sought or is too frequently ignored in making decisions. Regional network officers were sometimes unable to explain why particular funding decisions had been made, such as a decision not to award a grant that a regional network officer had supported.

The Royal Commission found that regional network officers generally lack the decision-making authority to engage in bargaining with communities about how government funding should be allocated (RCPDCNT 2017, vol. 1, p. 266). The Northern Territory Council of Social Service (sub. 18, p. 4) echoed the concern that without appropriately delegated decision-making authority, governments cannot respond to local priorities. The allocation of greater decision making authority to regional networks is complex, particularly where a Minister (or senior government official) is responsible for signing off on funding decisions based on departmental advice. Although the lack of decision-making authority at a local level is a longstanding concern, implementing mechanisms that formalise the role of regional networks in transmitting advice on community priorities to Ministers or other decision makers (chapter 6) and allowing for relational contracting to support bottom-up delivery and continuous improvement of services (chapter 7) can help address these issues.

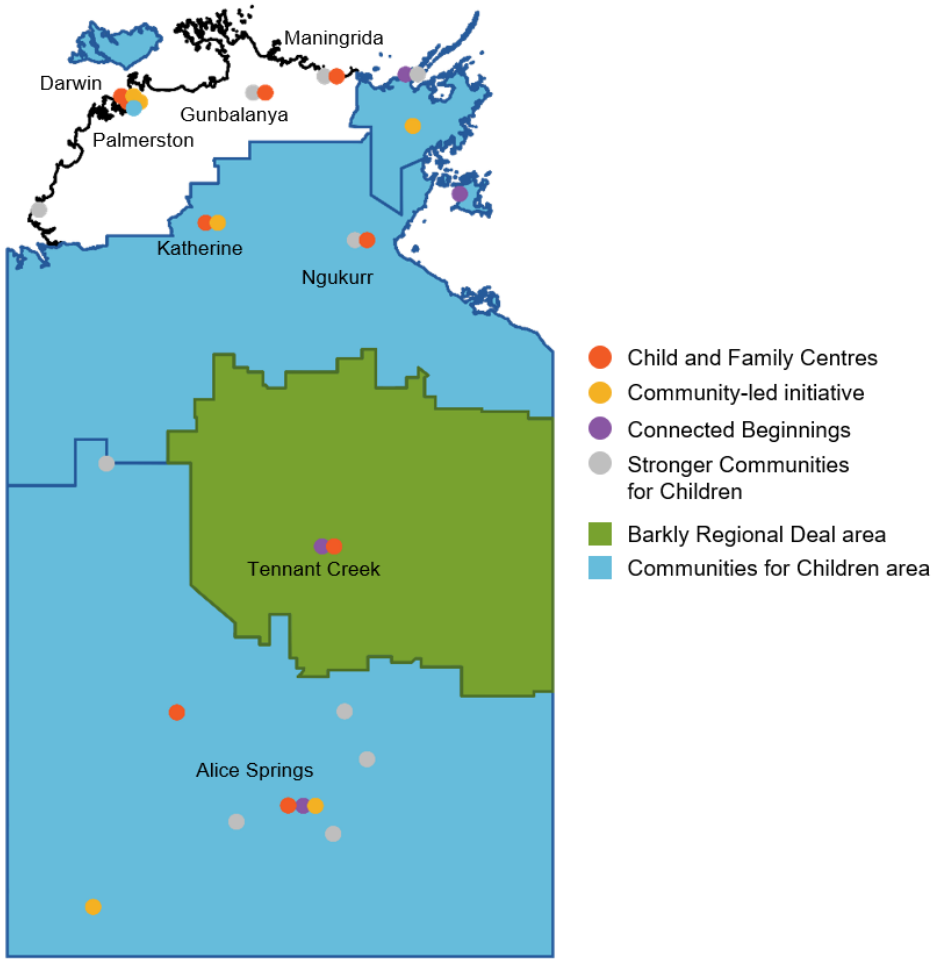
There are multiple efforts to integrate services on the ground

In addition to coordination between and within governments on what children and family services they are funding, there is also coordination (and integration) of the efforts of service providers on the ground. Governments have established or supported a range of place-based initiatives that aim to better integrate services for children and families at the local level (figure 4.3). This involves encouraging families to access services; supporting information sharing across providers and working with service providers to deliver holistic care. (The gold standard of public health delivery is to provide wraparound services to a family, with service providers working together to share information and ensure that the family receives the care it needs (Bruns et al. 2010).) In some cases, these organisations have some responsibility for local planning and funding services that meet local priorities.

There are small differences in how these various service integration programs operate — some are focused on early childhood (such as Connected Beginnings) and others on children generally (such as Communities for Children) — but there is clear duplication in efforts to integrate services. In some places, many different integration efforts are occurring (figure 4.3). For example, in Alice Springs, there are four different bodies tasked with integrating or coordinating aspects of children and family services. Regional network coordinators also have a role in coordinating services in Alice Springs, adding an additional layer of coordination.

Moreover, many of the government-funded programs outlined in figure 4.3 operate on a relatively small scale and some rely on the goodwill of service providers to deliver services that are consistent with the community's priorities. Local coordinators can struggle to manage coordination across all children and family services provided within a community, including those funded by philanthropic or royalty sources as well as those funded by governments. Further, where an initiative to coordinate funding is delivered by one government, with little reference or ability to influence the services funded by another government, it is likely to be ineffective in coordinating services.

Figure 4.3 **Initiatives to integrate services in the Northern Territory**



Commonwealth	*NT Government*	*Both governments*	*Community-led initiatives*
Stronger Communities for Children (NIAA)	Child and Family Centres (NT DoE)	Barkly Regional Deal	Grow Well Live Well Palmerston
Communities for Children (DSS)			Sanderson Alliance (Darwin)
Connected Beginnings (Cwlth DoE)			Youth Justice Reinvestment Katherine
			Empowered Communities (NPY Lands, North-East Arnhem Land)
			Child Friendly Alice

Sources: Allison (2016); Anglicare NT (2019b); Australian Government, Northern Territory Government and Barkly Regional Council (2019a, p. 7); City of Darwin (2019); Child Friendly Alice (sub. 16); Department of Education (2019); DSS data (chapter 2); Empowered Communities (2015, p. viii); GWLW (2016a); NT Government (sub. 31, p. 6); Sanderson Alliance (2019); SNAICC (2018, p. 7); The Smith Family (2019); Winangali Ipsos Consortium (2017, p. 8).

Some coordinators have no budget, while others have some funding to allocate towards meeting community priorities. But their small budgets mean they have limited capacity to respond to community needs. For example, the DSS Communities for Children program funds a facilitating partner in four regions of the Northern Territory to improve systemic linkages and facilitate early intervention and prevention activities as well as fund programs designed to bring about positive outcomes for children aged 0 to 12 years and their families (chapter 5, box 5.5). In the Katherine region, the facilitating partner (the Smith Family) received $1.3 million in 2018-19 to cover an area of 326 327km^2 — larger than Victoria and Tasmania combined — and a population of 17 822 living across 21 communities (chapter 2) (The Smith Family 2015, p. 4). Because of the large number of dispersed communities within the region, the facilitating partner faces significant challenges in coordinating services. Further, funding is thinly spread across eight different services to maximise the number of communities receiving services (The Smith Family, sub. 4, pp. 10–11).

Duplication of efforts to integrate and coordinate services at a local level can also result in duplication of data collection and community needs assessments. It can also increase the burden that consultation can place on community members. For example, community members are asked to sit on multiple boards for the many service providers operating in Yuendumu, which takes up a considerable amount of time for community leaders (appendix B). There are also various government agencies or government-funded organisations that collect information on community priorities and needs, as well as services currently available, with little to no consideration of the efforts of other parties who also collect similar information (chapter 5).

Local efforts to share information between service providers

In response to the lack of coordination of government initiatives and a desire to improve how funding is directed, some local service providers have developed their own initiatives aimed at improving coordination, sharing data and developing community plans of their own accord. There are a number of initiatives in the Northern Territory led by local community organisations that seek to improve the coordination of government funded services, some of which have secured government funding (figure 4.3; box 4.3). However, community organisations are reliant on persuading governments to direct funding in a way that is consistent with local community priorities, and there is little evidence in the Northern Territory that governments have properly engaged with these organisations.

In addition to the community-led initiatives in box 4.3, the Commission heard of various other informal local coordination committees. This sometimes takes the form of informal committees of service providers — including government service providers — that meet on a regular basis to share information, discuss client needs and identify ways that services can be better integrated. For example, Child Safety Coordination Groups run in a number of remote communities and are an opportunity for service providers to share information about clients and target support (Territory Families 2018a, p. 21). Some of the service providers in

Yuendumu also work together to coordinate services in an informal way (appendix B). Such committees try to ensure the services that a client accesses are matched to their needs.

Box 4.3 Examples of local initiatives to improve service coordination

Grow Well Live Well (GWLW) Palmerston

GWLW Palmerston is a collective impact approach to service delivery in Palmerston, started by a group of community organisations and funded by Territory Families. It aims to facilitate community-led action, decision making and activities to improve the wellbeing of children in Palmerston. A leadership group comprised of NT Government and community sector members from 10 different organisations provides leadership to the initiative (GWLW 2016a, p. 2).

GWLW undertook extensive consultation to gauge community perceptions of Palmerston's strengths, concerns and areas of opportunity. The outcomes of the consultation, along with indicators of child wellbeing, were included in the *Palmerston State of the Children Report*, which will feed into the development of a community plan (GWLW 2016a, p. 29). GWLW has contributed to better data sharing between service providers and encouraged families to contribute to discussions about what programs are needed in the community.

Child Friendly Alice

Child Friendly Alice is an initiative driven by local service providers that aims to coordinate a more cohesive, collaborative approach to responding to community-identified needs in Alice Springs. The backbone organisation consists of representatives from:

- Connected Beginnings (Department of Education)
- Larapinta Child & Family Centre (Department of Education)
- Communities for Children (Anglicare NT)
- Strong Kids Strong Centre (Red Cross).

It recognises that government agencies fund related services in Alice Springs and surrounding areas, and that partnership approaches between the programs funded by these organisations will deliver better outcomes for families (Child Friendly Alice, sub. 16, pp. 1–3).

In 2019, Child Friendly Alice released a Community Profile which included publicly available data and the results of a community survey across multiple service areas. The Community Profile will be used to support the development of community identified priorities, working groups and a local action plan (Child Friendly Alice 2019, p. 36).

It is clear that many service providers on the ground are committed to attempting to navigate the complex system to ensure that vulnerable families and children are able to receive integrated services that meet their needs. This is a difficult task given the complexity of the system and the rigidity of government funding arrangements (chapter 7). Local informal coordination depends on the goodwill of service providers and local government workers. It is typically ad hoc (for example, providers co-locating or sharing referrals), strongly reliant on the personalities of staff members, and can be disrupted by staff turnover (appendix B; Child Friendly Alice, sub. 16, p. 3; NACCHO, sub. 21, p. 10). Further, it does not guarantee that services will provide holistic care for families (Children's Ground, sub. 23, p. 8). Reliance on such an approach in the absence of more formal mechanisms runs the risk that

collaboration dissipates when key staff move on. Overall, it demonstrates that governments cannot, and should not, rely on local informal communication to integrate services for children and families.

4.3 Initiatives to improve coordination

A number of reforms to improve coordination are being undertaken by the Commonwealth and NT Governments in response to the Royal Commission's recommendations. The Tripartite Forum is an important element of these reforms, and was established by both governments in 2018 to drive coordinated policy and funding decision making. It is too early to determine whether the reforms, including the Tripartite Forum, have improved coordination between and within governments.

At a more local level, the NT Government is seeking to improve the integration and coordination of services through establishing a network of Child and Family Centres. The NT Government is also aiming to give local communities greater responsibility for determining the services that meet local needs through its Local Decision Making policy (chapter 1).

Children and Families Tripartite Forum

The Royal Commission suggested that the then Aboriginal Affairs Bi-lateral Coordination Group needed a remit beyond just Aboriginal Affairs and that the community sector be represented at the strategic policy making level. It recommended the creation of the Tripartite Forum to address the strategic coordination of policy and services; coordination of engagement with the community and to guide implementation of the NT Government's reform agenda and the Royal Commission's recommendations (RCPDCNT 2017, vol. 4, pp. 78–80) (box 4.4).

Box 4.4 Children and Families Tripartite Forum membership

The Children and Families Tripartite Forum comprises 11 representatives from:

- NT Government (2 representatives)
- the Commonwealth Government (2 representatives)
  - Usually one from National Indigenous Australians Agency and one from the Department of Social Services.
- the community sector:
  - Northern Territory Council of Social Services (3 representatives)
  - Aboriginal Peak Organisations Northern Territory (a peak body comprising the Aboriginal Medical Services Alliance Northern Territory, the Northern Land Council and the Central Land Council) (3 representatives)
  - North Australian Aboriginal Justice Agency (1 representative).

The Tripartite Forum also includes an independent Chair.

Source: NT Government (2018c).

The Tripartite Forum was tasked with providing 'advice to the Northern Territory and Commonwealth Governments to guide and support the implementation of the agreed reform agenda arising from the Royal Commission' (NT Government 2018c, p. 3). This includes advice on the development of a joint funding framework to improve the coordination of funding decisions between the Commonwealth and NT Governments (NT Government, sub. 31, p. 11).

A further role of the Tripartite Forum is to oversee the development of a 10-year *Generational Strategy for Children and Families* (NT Government 2018e, p. 60). The Royal Commission recommended that the Generational Strategy:

> Include a strategic framework to govern services for families and children based on local service delivery, covering service location, design, selection, development, delivery, funding and evaluation and … targets, benchmarks and outcome measures (RCPDCNT 2017, vol. 3B, pp. 280–281).

The Royal Commission also recommended that the Generational Strategy include plans for the delivery of 'core services available to all families and services targeting high risk cohorts' that would be delivered either directly by each Child and Family Centre or through referral (RCPDCNT 2017, vol. 3B, pp. 280–281). This was intended to ensure that communities have minimum standards of local care. Progress in developing the Generational Strategy has been slow and is expected to take another two years to complete (NT Government, sub. 31, p. 9). The Tripartite Forum has discussed how the Child and Family Centres will operate (NT Government 2018b), but it does not appear to have yet considered — in detail — what core services should be available to children and families. A number of stakeholders view the development of core services as integral to improving the outcomes of children in the Northern Territory (box 4.5).

Box 4.5 Stakeholder views on core services

In 2015, the NT Aboriginal Health Forum held a workshop that developed a set of core early childhood services for the Northern Territory. The workshop developed a universal platform of services that should be adopted across the following areas:

- quality antenatal and postnatal care within Aboriginal primary care
- clinical and public health services for children and families including ear and dental programs
- a nurse home visiting program offered either universally or to all first time mothers
- parenting programs after the completion of the nurse home visiting program, for families who are assessed as requiring parental support
- intensive, evidence-based, quality child development programs that improve educational outcomes
- two years of preschool from age three to five, with increased hours for those in targeted groups at higher risk of poor educational outcomes
- indicated services for vulnerable children and families including targeted or intensive family support
- supportive policies in the areas of social determinants (NT Aboriginal Health Forum 2016, p. 6).

Some primary health care providers suggested that the governments should learn from the successes of the primarily health care services framework as a tool for supporting consistent planning of children and family services (AMSANT, sub. 20, pp. 2, 7; CAAC, sub. 25, p. 6).

In its submission to this study, Anglicare outlined support for ensuring communities receive a minimum level of service provision:

> Governments must also apply a 'service level agreement' approach to communities based on population and need – for example a community of 1000 people should have a minimum level of service in the primary, secondary and tertiary child and family space. (sub. 8, p. 1)

Child and Family Centres

There are currently six Child and Family Centres operating in the Northern Territory. They were funded through the 2009 *National Partnership Agreement on Indigenous Early Childhood Development* that saw 38 Aboriginal and Torres Strait Islander Child and Family Centres built nationally. Commonwealth funding for the Child and Family Centres was discontinued in 2014, leaving services caught in the cross-fire of State-Commonwealth politics (SNAICC 2018, p. 4). This has created ambiguity over the ongoing funding responsibilities (appendix B). After Commonwealth funding ended, the NT Government took over the funding and management of the centres (SNAICC 2018, p. 4).

The services provided within the existing Child and Family Centres are funded by various government agencies, and the centre manager is tasked with ensuring these services are integrated. All centres provide early childhood education and care, early childhood learning programs, parent capacity-building programs, allied health services and family and parenting

support. Some provide additional services, such as housing assistance, cultural programs and community events (SNAICC 2018, p. 12).

The Royal Commission recommended that the Commonwealth and NT Governments jointly establish a network of no fewer than 20 family support centres (RCPDCNT 2017, vol. 3B, p. 281). It envisioned that each centre would provide, either directly or by referral, a minimum standard of local care and a core set of universal, secondary and tertiary services. Other children and family services 'delivered in any region would be informed by a combination of local community knowledge about priority needs' (RCPDCNT 2017, vol. 3B, p. 257).

In response to the Royal Commission's recommendations, the Tripartite Forum recommended 27 towns and communities as priority locations for Child and Family Centres (NT Government, sub. 31, p. 6). The NT Government agreed to fund an additional 11 Child and Family Centres (the centres themselves rather than additional services to be delivered through them) — meaning a total of 17 Child and Family Centres would operate in the Northern Territory (NT Government 2018e, p. 18) — less than the minimum recommended by the Royal Commission. While the locations of all of these centres are yet to be confirmed,[3] the smaller number of centres may restrict their ability to act as a network and ensure that all children and families have access to the core services that are expected to be outlined in the Generational Strategy.

Each centre is expected to include a coordination and administration hub, to coordinate local services to share client referrals (NT Government 2018e, p. 18). The new Child and Family Centres are expected to be operated by the community sector, with a preference for Aboriginal Community Controlled Organisations (NT Government, sub. 31, p. 6). The six centres currently operating are to be transitioned from being managed by local schools to community control. The coordination and administration hub is expected to improve integration between service providers through providing better management of services for clients who access multiple services. It is not clear how the new Child and Family Centres will operate in coordination with other locally based entities tasked with integrating and coordinating services in communities (such as Connected Beginnings and Communities for Children Facilitating Partners) (discussed earlier).

It is also not clear how the institutional arrangements will ensure the services funded by government will match community need. Child and Family Centres will be 'coordination and administration hubs' (NT Government 2018e, p. 20), but will not be funded to directly provide or subcontract children and family services. Instead, Leadership Advisory Boards (LABs) — comprised of board representatives from other local Aboriginal organisations — will provide advice to the NT Government on the activities of the centre (NT Government,

3 Existing Child and Family Centres are located in Palmerston, Gunbalanya, Larapinta (Alice Springs), Maningrida, Yuendumu and Ngukurr (SNAICC 2018, p. 7). The NT Government has confirmed that new Child and Family Centres will be established in Katherine, Tennant Creek and the Darwin northern suburbs (NT Government, sub. 31, p. 6).

sub. 31, p. 6). There is little information on how LABs will provide advice to the NT Government, and whether they would provide advice to the Commonwealth at all.

Governments have a poor track record in responding to community advice, which partly stems from each agency undertaking its own community consultation process (chapter 5). It also stems from the approach of government agencies in commissioning services in a top-down way that does not always take into account community context. Mechanisms — such as the LABs — that seek to improve service choice by asking governments to listen to community advice will require a cultural change within government agencies, so that local expertise is more highly valued.

DRAFT FINDING 4.2

In designing and funding services for children and families in the Northern Territory, there is limited coordination between levels of government (the Commonwealth and NT Governments) and within each level of government (for example, the National Indigenous Australians Agency and the Department of Social Services within the Commonwealth Government).

In terms of service delivery, service providers are often left to informally coordinate on the ground, to try to avoid duplication and better meet the needs of the community. Although numerous initiatives exist to coordinate services in specific places, these tend to be partial and fragmented, and at times overlapping.

The reforms outlined in this chapter, along with policies aimed at increasing local decision making (chapter 1) show some promise, but many continue to be progressed by either the Commonwealth or the NT Government, with a lack of clarity about the other's involvement. There is much that governments can do to build on current reforms and improve coordination of funding to ensure that services provided to communities are consistent with their needs and priorities; and that those services collectively support children and families. The Commission's proposed reforms to improve coordination of funding between the Commonwealth and NT Governments are outlined in chapter 6.

5 Choosing which services to fund

Key points

- Government funding for children and family services in the Northern Territory should be allocated on the basis of need. But at present, there is no systematic or rigorous identification of the needs and priorities of children and families in each community, and little transparency about what analysis is being done.
- Each government department undertakes its own assessments of needs or relies on service providers to identify needs when submitting grant applications. The ad hoc needs assessment practices are compounded by a lack of easily accessible information on what services are currently being provided to children and families in each community. As a result, services have been funded without regard to existing services, which contributes to the fragmentation of the service system.
- Much (but not all) decision making about which services to fund is made in a siloed and 'top-down' way by governments, with little local input from families and communities. Service providers are often required to consult with communities on how to design and deliver services, but this typically occurs in a belated or superficial way.
- Governments frequently emphasise the need for programs and services to be evidence based. But this can be very difficult in practice. For many services, the evidence is sparse on how well the service works for children and families in the Northern Territory (especially in remote Aboriginal communities). Funding services with *an* evidence base does not necessarily mean those services will be effective if the evidence is not context specific.
- Combined with limited use of evaluation and monitoring to refine services over time, this means that effective activities may be overlooked in favour of activities that may be effective in other places or contexts, but are less likely to be fit for purpose in the Northern Territory.
- The combination of these factors means that, overall, government funding decisions are resulting in a fragmented service system that is failing to best address the needs and priorities of children and families. Collectively, governments are funding services that do not align with a place-based approach (targeting funding to the needs and priorities of each community) or a public health approach (investing in the most effective measures to prevent harm to children in the long term).

Previous chapters of this report have found a fragmented system for children and family services in the Northern Territory, with significant overlap in expenditure effort between the Commonwealth and NT Governments. This fragmentation is partly driven by overlapping responsibilities and objectives at each level of government (chapter 4), but it is also driven by how individual government departments and agencies (across the Commonwealth and NT Governments) make decisions about which services to fund. This latter issue is the focus of this chapter.

This chapter provides an overview of the approaches the Commonwealth and NT Governments are taking to funding children and family services in the Northern Territory (section 5.1). The chapter does not evaluate the effectiveness of particular children and family services. Rather, it focuses on the effectiveness of the decision-making *processes* that are being used.

Decision-making processes for children and family services are examined by asking three key questions:

1. What assessments of needs are undertaken? (section 5.2)
2. How are communities involved in selecting and designing services? (section 5.3)
3. How are governments using evidence to guide the selection of services? (section 5.4)

These questions involve two aspects of the service commissioning process — population needs assessment and service design (PC 2017b, p. 239). The remaining aspects of the service commissioning process are considered in subsequent chapters. Chapter 7 covers provider selection and contracting arrangements and chapter 8 explores monitoring and evaluation.

5.1 How do governments decide which children and family services to fund?

In assessing the processes governments use to select which children and family services to fund in the Northern Territory, the Commission focused on the programs and departments responsible for the majority of funding for services relevant to the prevention of harm to children (chapter 2). The three main funding streams are:

- the Indigenous Advancement Strategy (IAS), run by the National Indigenous Australians Agency (NIAA). (Prior to July 2019, the IAS was administered by the Commonwealth Department of the Prime Minister and Cabinet)
- the Families and Children Activity, run by the Commonwealth Department of Social Services (DSS)
- children and family services funded by the NT Government (primarily through Territory Families).

Government processes were primarily assessed using publicly available material, which for the IAS included grant guidelines, the community-led proposal application kit, and external evaluations (including an audit conducted by the Australian National Audit Office (ANAO 2017)). For DSS, it included the Families and Children Activity guidelines, specific grant funding application kit information, operational guidelines and external evaluations. Publicly available information on NT Government processes was more limited, and included program guidelines, fact sheets and evaluations for a small number of programs. The

assessment also draws on information and views provided in submissions to this study, and on information provided to the Commission by the Commonwealth and NT Governments.

A brief overview of current funding approaches

In general terms, the Commonwealth and NT Governments design and commission specific activities to achieve their desired outcomes for children and families (chapter 4). These processes are informed by guidelines and assessment criteria (discussed below) that include identifying what activities are needed, collecting and analysing the available evidence, and consulting with key stakeholders and communities. Despite these guidelines and criteria, in practice it appears that decisions about which services to fund are mostly made in a 'top-down' manner, with some individual place-based programs facilitating 'bottom-up' involvement by communities in deciding which services they receive. When bottom-up approaches are used, these tend to be driven by the identification of needs by service providers. In other words, they are 'supply' driven rather than based on needs, priorities and service design by communities ('demand' or user driven).

The National Indigenous Australians Agency process

The IAS commenced in 2014 to consolidate Commonwealth expenditure from eight different agencies across 27 programs focused on Aboriginal and Torres Strait Islander people. The IAS invests in programs to 'deliver outcomes for Aboriginal and Torres Strait Islander peoples in the areas of education, employment, economic development, social participation, and healthy and safe homes and communities' (Australian Government 2016, p. 2). These outcomes fall under five broad programs: Jobs, Land and Economy; Children and Schooling; Safety and Wellbeing; Culture and Capability; and Remote Australia Strategies. The IAS grant guidelines describe the objectives of each of the five programs and the types of activities and services that can be funded under each, but do not prescribe specific activities and services (NIAA 2019b).

Grant funding decisions under the IAS can follow three main funding processes.

1. The NIAA can invite applications: it may conduct either an open grant round which is open to all applicants, or a targeted grant process that focuses on a particular group of applicants, location or activity. This method is used to allocate grants on the basis of outcomes identified by the NIAA.
2. The NIAA can approach an organisation: it may directly approach organisations to negotiate delivery of an activity or service to meet an identified need. This may involve asking existing service providers to expand their existing service delivery or asking service providers to establish a new service.
3. The NIAA can respond to community-led proposals: if a community, individual or organisation seeks support to respond to an emerging community need or opportunity, the NIAA can provide funding at any time to support that response (NIAA 2019b).

Whichever of the three funding processes is used, the NIAA assesses applications against four assessment criteria (box 5.1) and based on these assessments provides advice to the Minister (or delegate) responsible for funding decisions.

Box 5.1 Indigenous Advancement Strategy assessment criteria

The NIAA assesses applications for IAS funding against four assessment criteria: need, quality, efficiency and effectiveness.

1. Need: The activity is needed to provide improved outcomes and there is a demand for the activity from the target Indigenous community or group.

a. There is evidence the proposed activity is needed and will support improved outcomes in the target Indigenous community or group.

b. The target community or group supports the proposed activity and has been involved in its design.

2. Quality: The organisation that will deliver the proposed activity is committed to and capable of working with the target Indigenous community or group.

a. The organisation has, or can build, positive relationships with Indigenous Australians, community organisations and other key stakeholders in the delivery of the proposed activity.

b. The organisation is able to learn from experience and adapt practices to ensure improved outcomes from the proposed activity.

c. The organisation is committed to the employment of Indigenous Australians in the delivery of the proposed activity.

3. Efficiency: The proposed activity will support the intended outcomes in a way that appropriately manages risk, is cost effective and is coordinated with relevant stakeholders in the target community.

a. It is clear how the proposed activity will achieve the intended outcomes with the available grant funding.

b. It is clear how the proposed activity will link with existing activities associated within the target community or group.

c. It is clear how the risks associated with the proposed activity will be managed.

d. It is clear how the organisation will monitor the performance of the proposed activity and manage the financial aspects of the grant funding.

4. Effectiveness: The proposed activity can deliver the intended outcomes and sustain the outcomes into the future.

a. There is evidence that the proposed approach has the potential to deliver the identified outcomes.

b. It is clear how the intended outcomes of the proposed activity are to be sustained into the future.

c. It is clear how the organisation will gather evidence to measure the effectiveness of the proposed activity. (NIAA 2019b, pp. 15–16)

The IAS grant guidelines also outline out-of-scope activities. Wording varies by program but involves variations of activities that 'are clearly the responsibility of', 'are the responsibility of', 'fall within the scope of' or 'duplicate services funded by' other Commonwealth Government departments or State, Territory or Local Governments. The guidelines do not outline the types of activities that are clearly the responsibility of other departments or levels of government.

The Department of Social Services process

Through its Families and Children Activity, DSS funds early intervention and prevention services for vulnerable children and families. It aims to 'provide integrated services for

families to achieve improved child, youth, adult and family wellbeing, increased economic engagement and more cohesive communities' (DSS 2017, p. 6).

Services are delivered across Australia in locations determined by DSS (except for Intensive Family Support Services, which are only provided in the Northern Territory and South Australia). The Families and Children Activity incorporates six sub-activities, some of which are split into 15 or more service types (DSS 2017) (chapter 2). DSS' more prescriptive suite of services is in contrast to the IAS which may fund a wider range of activities and services. The suite of services is designed by DSS in consultation with stakeholders.

Funding decisions under the Families and Communities Program (of which the Families and Children Activity is part) follow processes that are similar to those used by the NIAA (and include open, targeted and direct selection processes). Criteria for assessing grant applications may differ across specific DSS program areas, but a standard set of selection criteria is provided in its Families and Children Activity Guidelines (box 5.2).

Box 5.2 Department of Social Services selection criteria

The guidelines for the Families and Children Activity include four selection criteria, all of equal weighting. The criteria can be amended to cater for particular service requirements.

- Demonstrate your understanding of the need for the funded Activity in the specified community and/or specified target group.
- Describe how the implementation of your proposal will achieve the Activity objectives for all stakeholders, including value for money within the Grant funding.
- Demonstrate your experience in effectively developing, delivering, managing and monitoring Activities to achieve Activity objectives for all stakeholders.
- Demonstrate your organisation's capacity and your staff capability (experience and qualifications) to deliver the Activity objectives in the specified community and/or specified target group. (DSS 2017, p. 24)

Many DSS grant programs have been in place for several years, with some services having been renewed or re-tendered over time. With many grant agreements due to expire on 30 June 2020, DSS began a national consultation process in 2018 on a number of programs under the Families and Children Activity. The consultation engaged families and children (clients), service providers, state and local governments, academics, Aboriginal Community Controlled Organisations, Aboriginal and Torres Strait Islander peak bodies, and community members. The process also received feedback from 500 stakeholders (DSS, sub. 26, p. 5). The outcomes from the consultation, and any changes to DSS programs and processes, are yet to be announced.

The NT Government process

In contrast to the Commonwealth Government, the NT Government directly provides services for children and families. This includes Territory Families' responsibilities for providing statutory child protection and youth justice services.

The NT Government also funds non-government organisations to provide services through various grant and procurement programs. Each of these programs use different processes for selecting and funding providers (chapter 7). The criteria used to assess applications therefore differ. An example of an assessment process and selection criteria used by the NT Government is provided in box 5.3.

Box 5.3 Selection criteria for the NT Safe, Respected and Free from Violence Prevention Fund

Applications for the Safe, Respected and Free from Violence Prevention Fund are assessed by a panel comprised of officers from the NT Government. The assessment panel may also include an independent member from the non-government sector. Applicants for funding must demonstrate how they meet at least five of seven principles (noting that principles 1 and 3 must be reflected by all applicants):

1. Women and children's wellbeing is at the centre
2. Shared responsibility, partnerships and local responses
3. Evidence and needs-based and outcomes-focused
4. Accessibility, equity and responsiveness
5. A focus on long term social and cultural change
6. Challenging systemic racism and inequality
7. Shared awareness and understanding of domestic, family and sexual violence.

Applications are also assessed on how well they satisfy at least three of the following criteria.

1. Educates the community about domestic, family and sexual violence
2. Fosters positive personal identities and challenges rigid gender roles, gender inequality, sexism and discrimination
3. Partners with community, business, sporting and religious leaders to actively reject domestic, family and sexual violence
4. Promotes and normalises gender equality
5. Encourages protective behaviours and supports children and young people to exercise consent and engage in healthy and respectful relationships
6. Develops the capacity of the community to respond to domestic, family and sexual violence.

Other factors taken into account when assessing applications are program/project innovation; identifiable benefits to Northern Territorians; level of earned income and the level of support (including in kind) from other sources; budget viability and financial management; and past performance of the organisation in relation to meeting its aims and objectives.

Source: Territory Families (2018c).

The NT Government has committed, through its whole-of-government *Safe, Thriving and Connected* and *Starting Early for a Better Future* reform programs (chapter 4), to a public health approach which would rebalance services to focus on universal, preventative and early intervention services to reduce demand on statutory services. These reforms are expected to

result in changes to how services are selected and funded, although it is unclear at this stage exactly what these changes will be.

5.2 What assessments of needs are undertaken?

Understanding the level of need for children and family services in different communities provides an evidence base for directing limited funding and resources to the most effective services within a community. A needs assessment is a systematic process that analyses data and information about the needs in a community or cohort of the population and determines which needs should be prioritised for action (AIFS 2019f). To be effective, a needs assessment should consider all needs of children and families in a community, rather than focusing solely on program-level needs (such as the need for parenting programs) as this could lead to potentially more pressing (and interrelated) needs being overlooked.

The three main funding bodies (the NIAA, DSS and NT Government) generally undertake or commission their own needs assessments, with little transparency of what analysis is being done by other agencies. Each agency appears to be conducting examinations of need in isolation, without knowledge of:

- the full range of data on the overall level and type of needs of children and families in the region and within communities (as the data is not available to all government departments)
- community input and views on needs and priorities
- what children and family services are already being provided in a community.

A lack of community consultation and input means that the needs identified are not necessarily accurate or may not reflect the priorities of the community. This can worsen the problems that arise when governments impose services without communities having a genuine say in how those services are selected or designed (discussed later). As noted by Child Friendly Alice:

> Most discussion around identifying needs of a community are done through service providers or from government directives and managers of programs who often have a vested interest or believe they know the answer. (sub. 16, p. 5)

A lack of systematic needs assessment means children and family services have become increasingly fragmented, with service gaps and the potential for overlap in effort. It also means that the allocation of funding can be subject to political pressures, personal preferences, 'what has been done before' and the intuition of staff (AIFS 2019f). In addition, it can lead to key needs being overlooked. For example, Central Australian Aboriginal Congress identified the need for services for Aboriginal children and families to 'be resourced to be "trauma-informed", such that they are able to recognise the different ways that the experience of unresolved trauma can manifest' (sub. 25, p. 6), and noted that Aboriginal organisations with experience in this area should be involved in needs assessments and service planning.

Governments often rely on service providers to assess needs and priorities as part of grant application processes. For example, governments require some service providers (known as facilitating partners) to develop strategic plans informed by community consultation of needs and priorities through the Communities for Children and Stronger Communities for Children programs (discussed later). Some service providers have also undertaken needs analysis of their own accord to inform their service delivery. This approach to needs assessment can result in significant duplication of efforts by governments and service providers, especially when multiple organisations complete their own needs assessments for the same region. It could also potentially lead to assessments that are biased towards the service provider's programs.

In general, the needs assessments undertaken by service providers are not made public. This means that new needs assessments cannot draw on information from previous assessments and instead duplicate the research and analysis. This approach does not result in the continuum of needs being assessed or met, and means that community consultation efforts are duplicated.

The way to achieve better needs assessments was put succinctly by Child Friendly Alice, which recommended a:

> … whole of community approach to identifying needs and responding to those needs in a coordinated and holistic way – families and young people should not have to tell their stories 20 times over to many different services/programs. (sub. 16, p. 2)

The National Indigenous Australians Agency needs assessment process

The NIAA undertakes or requires needs assessments on an application-by-application basis. However, there is little or no transparency about the types of needs assessments being undertaken and what influence these have. There is no evidence of an overall needs assessment to guide program-level decision making being undertaken for children and family services in the Northern Territory, individual regions or for individual communities.

Under the different funding streams of the IAS, the need for a service can be identified by either the NIAA, a service provider or the community. In all cases, the IAS grant guidelines state that applicants must provide evidence of the need and support from the community or group targeted by the proposed activity (box 5.1). However, the criteria provide little guidance on the type or depth of needs assessment that is required, and it is unclear what needs analysis the NIAA undertakes to inform most of its funding decisions.

Historically, the Department of the Prime Minister and Cabinet (PM&C) developed regional profiles that contained ' … demographic data and statistics about the disadvantage of the region's Indigenous populations and information relevant to the five Strategy programs' (ANAO 2017, p. 33). However, in its audit of the IAS, the Australian National Audit Office

(ANAO) found little evidence that the regional profiles were ever finalised or used in the grants assessment process (ANAO 2017, pp. 33–34).

It is also unclear to what degree needs assessments or overall assessment scores influenced funding decisions in the initial 2014 grants round. In theory, the grant application was given an overall assessment score that combined the rating for the four key assessment criteria, which was intended to help prioritise the applications (ANAO 2017, p. 8). However, the ANAO found that:

- although each application was given a needs score, which was weighted higher than other selection criteria (as it included an assessment of needs from both the assessment panel and the regional network) (ANAO 2017, p. 42), ' … the need score did not always record a supporting rationale that explained the basis of the score or how it directly related to need' (ANAO 2017, p. 34)
- the demand-driven process (now the community-led proposals process) 'was not supported by a consistent internal process, grants investment strategy, clear budget or guidance on what could be funded' (ANAO 2017, p. 35)
- the basis by which projects were prioritised for recommendation to the Minister for Indigenous Affairs was not clear (ANAO 2017, p. 8).

The Commission does not have sufficient evidence on how this process is currently undertaken, and thus is unable to assess what impact the level of need has on how applications are prioritised. Nevertheless, unless there has been significant reform since the 2017 ANAO audit, the needs assessment process used by the NIAA does not look to be robust or comprehensive.

The Department of Social Services needs assessment process

DSS does not use a standard systematic approach to assessing needs as part of its decision-making process. DSS stated that under the Families and Children Activity it seeks to target service funding to 'vulnerable' (and in some cases 'at risk') families and children (sub. 26, p. 4). Although there is no standard process across its grant programs for identifying vulnerable or at-risk children and families, the Commission understands that DSS draws on a range of information sources when selecting service locations. They include:

- the Socio-Economic Indexes for Areas, produced by the ABS, that ranks areas in Australia according to their relative socio-economic advantage and disadvantage
- the Australian Early Development Census, a nationwide data collection that shows the level of development of Australian children as they start school. It measures five areas or 'domains' of early childhood development that are closely linked to the predictors of good adult health, education and social outcomes
- insights from DSS regional network staff (chapter 4)

- data captured through the Data Exchange, which is a program performance reporting tool that is designed to allow funded organisations to report their service delivery information and demonstrate outcomes in a standard and comparable way (DSS 2018e).

The approach to selecting priority locations can differ across the range of programs funded by DSS — examples of the approach used for Children and Parent Support Services and the Home Interaction Program for Parents and Youngsters are provided in box 5.4.

The use of data (for example, socioeconomic, prevalence and demographic data) may help to identify the need for services in a community, but it does not establish whether existing services are already in place to target these needs. Nor does it make use of the community's finer-grained knowledge of their circumstances, or their insight into what is most likely to be effective. Although regional network staff and community consultation could provide greater insight on these matters, there is limited information available on how DSS uses these sources of information except within the Communities for Children (CfC) program.

The CfC program requires community needs to be identified through a local CfC Committee (box 5.5). Despite the CfC program model facilitating community involvement, whether it results in services meeting the identified community needs, is questionable. For example, in the Palmerston and Tiwi Islands CfC program, committee members identified service needs that remain unmet (Kathy Bannister, sub. 29, p. 2).

Another issue is that facilitating partners have to fund services with an existing evidence base (discussed in section 5.4), potentially at the expense of locally identified solutions. The facilitating partner also does not have the authority to influence services outside of the CfC program, so cannot ensure that the services provided by other government agencies are consistent with the community's priorities. And, as noted in chapter 4, facilitating partners can have relatively small budgets to provide services across a very large geographic area.

Another example of the lack of transparency around needs assessments is the Intensive Family Support Service (IFSS) location selection. The IFSS is provided in 26 locations in the Northern Territory, however the basis for the selection of these locations is not clear. It is also unclear to what extent the presence of other similar programs — such as the Intensive Family Preservation Service (IFPS) funded by the NT Government — influenced the selection of IFSS locations. The end result, as identified in the stocktake of expenditure in chapter 3, is that some communities receive both services, some only one, and others receive neither service.

Overall, needs assessments across DSS programs are not consistent and in some cases it is unclear how funding decisions were made as needs analyses are not public. The lack of transparency was highlighted by a team leader from a CfC site.

> When I've asked senior DSS officers to share with us the rationale for the targeting of Palmerston [for other DSS programs] and the thinking behind the suite of services I've been told they don't know. This sounds genuine and if accurate says that the agency is not required to be transparent itself although it requires it of contractors. (Kathy Bannister, sub. 29, p. 5)

Box 5.4 Methods used for assessing needs by DSS

Children and Parenting Support Services

As part of a competitive grant round in 2014 for Children and Parenting Support Services (early intervention and prevention services, such as community playgroups, supported playgroups, parenting courses, home visiting and peer support groups), DSS allocated half of available funding to 139 priority locations across Australia, including eight in the Northern Territory (DSS 2014b, p. 3). To identify communities with a significant number of children at risk of poor outcomes and therefore a high need for support, DSS identified the communities that were not currently a Communities for Children facilitating partner location with:

- a total population of at least 1000 children
- a high proportion of children under 14 years old (19 per cent of the population or above)
- poor Australian Early Development Index scores
- low Socio-Economic Index for Areas rankings (DSS 2015a, p. 2).

Home Interaction Program for Parents and Youngsters (HIPPY)

HIPPY is a two year, home-based parenting and early childhood learning program that empowers parents and carers to prepare their child for school. The Brotherhood of St Laurence has an exclusive licence to run HIPPY in Australia. The program is delivered in selected disadvantaged communities by existing not-for-profit organisations. HIPPY is currently provided in six communities in the Northern Territory. Of these, two are operated by local Aboriginal Community Controlled Organisations under sub-licensing arrangements (HIPPY Australia 2019).

In 2014-15, DSS chose 50 communities across Australia to receive HIPPY services. To be selected, the community had to meet, among other things, the following criteria:

- a minimum population of 100 Aboriginal and/or Torres Strait Islander 0-4 year olds
- a strong need (and support) for an early childhood program
- a provider was or would be able to effectively deliver the program at the local level.

To meet these criteria, DSS used a range of data and information including:

- Australian Bureau of Statistics 0-4 Indigenous population counts
- Australian Early Development Index results
- Socio-Economic Indexes for Areas data
- Australian Standard Geographical Classification data
- information about other early childhood, education and Aboriginal and Torres Strait Islander programs currently operating in the community (DSS 2015c, p. 8).

Box 5.5 Place-based program examples

Communities for Children (Department of Social Services)

The Communities for Children (CfC) program is a place-based program that funds a non-government entity (the facilitating partner) to identify and fund children and family services in specific locations. It is a national program delivered in 52 disadvantaged community sites, four of which are in the Northern Territory: Katherine; Palmerston and Tiwi Islands; East Arnhem and Alice Springs. Facilitating partners (which in the Northern Territory are the Smith Family, the Red Cross and Anglicare NT) oversee broad community consultation, and develop solutions that address locally identified needs.

Each CfC facilitating partner site has a local CfC Committee which includes local clients, parents and caregivers, local businesses and service providers. This Committee assists facilitating partners to identify the needs in the community (although those needs are not always met).

An evaluation found that the local CfC Committees were largely effective for local decision making. The team leader working at the Palmerston and Tiwi Islands site reflected that:

> The local community members in Palmerston and on the Tiwi Islands say they like being included in CfC local Committees and being enabled to contribute to decisions about funding of CfC activities in their community. Families with the lived experience of disadvantage are noticeably proud of being able to use their otherwise less valued knowledge for their communities. (Kathy Bannister, sub. 29, pp. 4–5)

The guidelines for the CfC program (DSS 2014a) also require the facilitating partner to develop a community strategic plan that outlines the goals and priorities for the community over the life of the grant agreement. The information in the strategic plans includes:

- feedback from community consultation on community needs
- strengths of the community
- barriers to service accessibility
- emerging themes and changes in service areas
- potential gaps in the service sector
- data on key needs (such as the Australian Early Development Index, NAPLAN and ABS data).

The facilitating partner uses these plans and the local CfC Committee to select services to meet these priorities. They are also committed to regular and ongoing engagement with local communities to ensure that activities continue to reflect local needs. However, not all strategic plans are publicly available, and thus it is difficult for communities to assess the quality of the plans and how effective they have been in guiding funding decisions.

Stronger Communities for Children (National Indigenous Australians Agency)

The Stronger Communities for Children (SCfC) program uses a similar model to the CfC program, but is adapted to Aboriginal and Torres Strait Islander communities (with an Aboriginal-controlled organisation taking on the facilitating partner role). It is currently delivered in ten sites in the Northern Territory, involving 12 remote Aboriginal communities. In each location, a local community reference group was established to draw on cultural knowledge and community strengths to identify services that are best able to meet the needs of children and their families in each location. It is unclear what needs assessments are undertaken to inform the local community plan as there is no central, publicly available repository for the community plans. Without easy access to the plans, it is very difficult for communities to know how their needs are being assessed or incorporated in funding decisions.

The NT Government's needs assessment process

The NT Government also conducts needs analysis on a program-by-program basis. One of the implications of this is that particular services may be directed to locations with the highest need for that service, but that service may not be the most critically needed. For example, in relying on assessing needs at the program level, the government may decide to fund more statutory services, such as justice rehabilitation, in a location when there may be a higher need there for preventative services, such as youth diversion programs.

Allocation of funding between communities is based on estimated demand for each service. For example, for the IFPS, the selection of major and minor service sites was based on the overall expected demand for the service, and the number of children at risk of being removed and placed into care in each location. The service sites with higher demand were designated as major service sites and were provided with more resources to adequately respond to the level of need than minor service sites (DCF 2015, p. 10).

There are other examples of the approach taken to needs assessments by the NT Government, including for its Families as First Teachers (FaFT) program and youth accommodation and support services. The FaFT program, for example, demonstrates how community input has been used by the NT Government in needs assessments (box 5.6).

However, study participants noted that consultation with communities and data from needs assessments are not always used by the NT Government when making funding decisions. The Red Cross provided an example of a decision made by the NT Government in Palmerston regarding a $260 000 grant from the Children and Family Community Fund. The NT Government, CfC facilitating partner and Grow Well Live Well (an initiative started by community organisations in Palmerston — box 4.3) worked together to identify community needs for the use of these funds.

> It was decided to focus consultation on the most vulnerable suburbs based on ABS and [Australian Early Development Census] data and one local First Nations community (Palmerston Indigenous Village) … Once a participatory consultation plan was developed as much information as possible was gathered from families in the short time left for the 2018–2019 financial year. The data was then examined and recommendations made to [the Department of the Chief Minister]. However, it is understood by the writer that despite the consultative data, some decisions were made based on aspirations of school principals that does not appear to be supported in the family generated data. At 26 July 2019, we are still waiting to hear officially how the funds will be [disbursed]. (Kathy Bannister, sub. 29, p. 7).

The NT Government recognises the need to implement 'solutions that are tailored to place-based needs' (Territory Families 2017, p. 3) and is currently working to improve its understanding of need in the Northern Territory and to move towards a public health approach to services (sub. 31, p. 2).

Box 5.6 Families as First Teachers program

The Families as First Teachers (FaFT) program is an early learning program designed by and for Aboriginal families to support parents to build the literacy and numeracy foundations of their children and improve school readiness. It is delivered in schools by the NT Department of Education.

Approach to needs

- The need for the program was emphasised through the Australian Early Development Census, a nationwide data collection of early childhood development, that indicated that Indigenous children who live in remote areas of the Northern Territory arrive at school with higher levels of disadvantage in almost all indicators.
- Extensive consultation at each program site was undertaken prior to program establishment and local teams employed Indigenous Family Liaison Officers to develop and deliver a range of culturally appropriate and place-based programs.
- An Indigenous Early Childhood Parent Reference Group was established for FaFT, comprised of Indigenous representatives from across the Northern Territory. The group meets quarterly and advises on program practice to ensure Indigenous views are central to program delivery and that Indigenous aspirations are reflected in program directions. The focus on Indigenous views and aspirations about early childhood and parenting is specifically relevant to the remote NT context.
- There is flexibility for the teacher to work with the community to determine needs and fund activities appropriately.

Community involvement

An Australian Institute of Family Studies (AIFS) profile of the FaFT program noted that extensive consultation with community members and staff was undertaken at each program site prior to program establishment and that parents work with Indigenous Family Liaison Officers to identify activities for program development. For example, in the Yirrkala FaFT program in East Arnhem, two Yolŋu FaFT workers, one in Yirrkala and one in Gunyangara, were found to provide critical community engagement and support for families.

In combination with the provision of culturally appropriate activities, services and resources, and the provision of trained and committed staff, AIFS considered that FaFT delivered positive outcomes for Aboriginal and Torres Strait Islander families and communities. For example, in Yirrkala, 'community members believe that [FaFT] is a strong program that will be of great benefit in the long term' (Rossingh et al. 2017, p. 48).

Sources: AIFS (2019c); Rossingh et al. (2017).

The NT Government is also drawing on a broader range of input into decisions about children and family services. For example, it recently worked with the Children and Families Tripartite Forum to identify a potential model and sites for new Child and Family Centres (sub. 31, p. 6) and with the East Arnhem Child and Families Strategic Coordination Committee to determine the best location for a Child and Family Centre in East Arnhem (chapter 4).

5.3 How are communities involved in selecting and designing services?

There is much evidence that policy and program outcomes are better when the intended beneficiaries are directly involved in the design, implementation and monitoring of services (RCPDCNT 2017, vol. 1, p. 256). A lack of community engagement in decision making can result in the funding of inadequate and inappropriate services.

Both the Commonwealth and NT Governments explicitly acknowledge the importance of consultation and engagement. But in practice, communities are often consulted after key decisions are made, rather than having genuine engagement or empowerment from the initial stages of service planning and decision making. For example, Katherine was announced as a location for a new Child and Family Centre without reference to the local needs that such a centre would address (and despite the Child and Family Centres being designed to 'be unique and driven by the local community's priorities and needs') (Gunner and Nelson 2019).

There is a strong perception that decisions are made top-down by governments, with little or no local input, with services being imposed on communities by others. For example, Child Friendly Alice (sub. 16. p. 5) reflected that 'any community consultation is not always authentically carried out' and 'the majority of intervention is imposed upon the community through government initiatives not necessarily based on what the community want or need'.

These concerns are apparent not just at the initial stages of programs, but also at their conclusion, with funding for programs sometimes ceasing without consultation. An example of this is the Mobile Outreach Service Plus program, which was funded between 2008 and 2016 by the Commonwealth Department of Health and Ageing and delivered by the NT Government. While acknowledging that the program had 'some major flaws', AMSANT nevertheless expressed concern about its funding being cut without first seeking community views.

> … the lack of consultation with service providers and communities about ceasing this sensitive and important program with no effective alternatives is symptomatic of how governments at times fail to respond to the needs of vulnerable children and families and communities. (sub. 20, p. 8)

The Royal Commission into the Protection and Detention of Children in the Northern Territory (Royal Commission) also observed a significant level of frustration in consultation with communities about decisions affecting children and young people.

> The Commission's community consultations consistently told us of the intense frustration people felt in being alienated from decisions affecting their children and young people … Engagement and consultation are often given lip service but have no practical effect on outcomes. (RCPDCNT 2017, vol. 1, p. 248)

Deficiencies in government engagement with remote Aboriginal and Torres Strait Islander communities were summarised in the Productivity Commission's 2017 inquiry into human services.

> Consultation with Indigenous people who live in remote communities is inconsistent and disjointed. Participants lamented the frequency of white Landcruisers full of people rolling into town for meetings, often to discuss the same things as the car-load of people from another department who came for a meeting the week before. The frustrations are exacerbated when the people who come to the communities do not have the authority over local planning, engagement or service implementation to act on the issues that community representatives raise with them. (PC 2017b, p. 271)

Some participants to this study also expressed fatigue with consultation occurring within closed government parameters, rather than as part of an ongoing communication and feedback process. For example, Child Friendly Alice submitted that 'communities are tired of consultation because they never hear about the outcomes' (sub. 16, p. 5). Similarly, Children's Ground noted that:

> Over decades many First Nations communities have been consulted time and time again … However, this has often resulted in no feedback, no action or programs and services that were not in line with their priorities and designed for their community or by their community. (sub. 23, p. 11)

A common sentiment expressed was that governments need to engage in genuine consultation with communities affected by funding decisions (Law Council and the Law Society Northern Territory, sub. 24, p. 16) — genuine in the sense that it leads to a real impact on funding decisions.

The National Indigenous Australians Agency approach to community involvement

The IAS includes an explicit focus on community involvement in service selection and design. The assessment criteria require evidence that the community supports and was involved in the design of the activity, and that the organisation is committed to employing Aboriginal and Torres Strait Islander Australians in the delivery of the activity (box 5.1) (NIAA 2019b, p. 15). The IAS guidelines state the NIAA may use a number of sources of information to assess claims made in applications. These include:

- information about the applicant that is available through the normal course of business for the NIAA
- information about an applicant from any other source, including from within the Commonwealth
- information about community need and outcomes separate from the application (NIAA 2019b, pp. 16–17).

However, the ANAO (2017, p. 34) found that the NIAA did not contact referees to gauge their support for projects in their community, and did not contact applicants or communities to discuss the impact of partial funding on original projects. Submissions to the ANAO (2017, p. 35) and the Senate Finance and Public Administration References Committee's inquiry into IAS tendering processes (2016, p. 14) also indicated that community involvement was limited.

The NIAA regional network and community-led grants process is designed to facilitate community engagement. The community-led process requires projects to be supported, developed and delivered with, or in consultation with, the target community. Regional network advice feeds into the community-led grants assessment process. However, the ANAO found that regional network staff 'have limited decision-making authority, with the Minister for Indigenous Affairs approving the majority of funding decisions' (ANAO 2018, p. 9). This aligns with a broader pattern of regional networks being underutilised as a source of information (chapter 4).

The NIAA also funds the community-led Stronger Communities for Children (SCfC) program (box 5.5). The SCfC program aims to draw on community strengths and cultural knowledge, rather than top-down service planning and delivery. An evaluation of the SCfC program found that it demonstrated how government can do business differently with remote communities, but there is room for improvement. For example, in Ngukurr, many decisions around SCfC-funded activities were not made through the community and board decision-making processes (Winangali Ipsos Consortium 2017, p. 62).

The Department of Social Services approach to community involvement

DSS submitted that it 'engages with communities at all stages across policy design and implementation to ensure our policies meet the needs of families and children' (DSS, sub. 26, p. 5). But despite this commitment to consultation, its decision making is predominantly top-down, and there appears to be little opportunity for communities to be involved in determining the types of services they most require prior to a funding decision being made.

The contract agreements between DSS and service providers generally require providers to consult with communities about service design and delivery. For example, IFSS providers are expected to undertake community engagement activities and a community engagement strategy was a feature of successful applications for Children and Parenting Support Services grant funding (DSS 2015a, p. 4). Requiring service providers to consult with communities after a decision to provide a service has been made by DSS limits the scope for communities to influence how services are designed or delivered.

Whether community organisations are involved in delivery is also relevant. DSS selection criteria include consideration of applicants' experience in delivering the activity to the

specified target group and their plans to employ Aboriginal people, but do not explicitly favour Aboriginal community controlled organisations taking on service delivery.

An exception to DSS' typical community consultation approach is the CfC program, which involves communities in determining which services should be funded; however, as noted above, in practice whether this translates into delivery of services meeting identified needs is questionable.

The DSS approach to community involvement is undergoing change. The Families and Children Activity is involved in the trial of the Indigenous Grants Policy (discussed later). DSS is reviewing the overall Families and Children Activity design, proposing to move away from a programmatic approach to coordinated services based on the needs of children and families (DSS 2018c, p. 6). It has also recently provided $2 million to support a place-based collective impact initiative in Tennant Creek, under its Stronger Places, Stronger People program (this commitment is part of the Barkly Regional Deal, chapter 1). This funding will be used to resource a local project team in Tennant Creek to work with local leaders, residents and organisations to develop and progress the community's vision and plan of action for children (DSS, sub. 26, p. 6).

The NT Government approach to community involvement

When commissioning specific activities, the NT Government process often 'includes the collection and analysis of available evidence, and consultation with key stakeholders and communities' (NT Government, sub. 31, p. 3). With limited exceptions — such as the FaFT program (box 5.6) — it is not clear from publicly available information how the NT Government involves communities in decisions on what children and family services to fund.

One view of the reality of the NT Government's approach to consultation was reflected by Kathy Bannister.

> The current NT Government from time to time announce a new funding stream or initiative that is slightly in line with community aspiration around these areas however it is clear they are expecting to roll out the initiative without recourse to community consultation. (sub. 29, p. 6)

Since the release of the Royal Commission's report, the NT Government has commenced implementation of a number of reforms that will increase community involvement in decision making. These include:

- a commitment to empower communities to shape their own services via its Local Decision Making policy (chapter 1)
- the Territory Families Aboriginal Cultural Security Framework. This is a commitment for staff and the organisation 'to consult, collaborate and work with Aboriginal people and communities, not just as Government but as a true partner, aware of and responsive to their Culture, history, needs and aspirations' (Territory Families 2019a, p. 5)

- transformation of out-of-home care and the Aboriginal Carers Growing Up Aboriginal Children grant program (box 5.7).

Box 5.7 **Out-of-home care services and the Aboriginal Carers Growing Up Aboriginal Children grant program**

Recognising that the current out-of-home care (OOHC) system in the Northern Territory was not meeting the needs of children and young people in care, Territory Families recently reviewed its model for OOHC and has begun transforming the way OOHC services are designed, funded, contracted and delivered. The changes are planned to occur over three phases from June 2019 to December 2021.

Children, families, care-givers and communities will have greater involvement in decision making and care planning. There is also a commitment to increase service delivery in regional locations and for services to be co-designed and delivered by or in partnership with Aboriginal Community Controlled Organisations (ACCOs).

The Aboriginal Carers Growing Up Aboriginal Children grant program began in 2018. It was co-designed with ACCOs and included a place-based approach to engaging ACCOs to find and support Aboriginal carers for Aboriginal children in OOHC. Initial program funding to ACCOs is dedicated to service design (development of a comprehensive, technically sound and evidence-based service model focused on enabling more Aboriginal children in care to be placed with Aboriginal foster and kinship carers in the Northern Territory) and service delivery pilots.

Some study participants welcomed the NT Government's commitment to transfer the OOHC system to the Aboriginal Community Controlled sector, with some caution about the genuineness of the commitment. For example, NAAJA submitted that:

> A complete paradigm shift of this nature is a prerequisite for meaningful change in the area of out of home care. We have observed more recent phrasing along the lines of 'transforming' out of home care, as opposed to 'transferring' out of home care, and hope that this does not indicate a departure from the paradigm shift that has previously been discussed. (sub. 28, p. 9)

Sources: NT Government (sub. 31, pp. 7–8); Territory Families (2019c).

5.4 How are governments using evidence to guide the selection of services?

One consequence of a lack of effective engagement with communities prior to governments deciding what services to fund is that these services may not be effective in meeting the needs of children and families, particularly for remote Aboriginal communities. However, in many cases 'what works' in specific communities can be difficult to know, especially in advance.

Ideally, government-funded services should have a clear program logic and a relevant evidence base. A program logic identifies how services and activities are intended to connect to the expected outcomes — that is, a theory for how an intervention will change behaviour (chapter 8). But importantly, a lack of suitable evidence does not mean that services should

not be funded, provided there is a program logic and that the services are monitored so that their effectiveness can be measured over time, and adapted as needed (chapter 8).

Study participants emphasised the importance of using an evidence base for service decisions and funding 'evidence-based' services, but also stressed the need for a shared understanding of what the evidence shows and what is considered 'evidence-based' (box 5.8). The Royal Commission also pointed to the underlying tension between funding evidence-based services and funding services that are tailored to local needs.

> … there is also a risk in being too prescriptive when it comes to requirements that programs are evidence based … there is a need to ensure that community driven initiatives or programs tailored to meet specific community needs are not excluded. (RCPDCNT 2017, vol. 3B, p. 192)

Box 5.8 Participants emphasised the importance of both evidence and local adaptation

Child Friendly Alice:

> Utilising evidence-based models where they can be contextualised for the local needs (place-based). Evidence based programs may need to be adjusted for the local community and adjustments need to come from community feedback / input not just service providers. (sub. 16, p. 3)

Children's Ground:

> What is considered an 'evidence-based program' also needs to go beyond those with international evidence only and the 'gold standard' randomised control trials. Evidence needs to be generated from the ground up with action research and evaluation frameworks that provide the pathways and resources for small local programs to be supported to evaluate and share their findings. (sub. 23, p. 18)

Aboriginal Medical Services Alliance NT:

> Approaches to service delivery must be evidence based and build on the public health and place-based approaches. (sub. 20, p. 16)

Empowered Communities – NPY Region:

> Use all available evidence to underpin decision making. Uphold a shared understanding of what the evidence shows and means. (sub. 15, p. 28)

The Smith Family:

> Having a strong evidence base for program funding that can demonstrate impact in community and ensuring there is adequate provision in the funding to provide for meaningful evaluation as part of the process. (sub. 4, p. 4)

The Royal Australian and New Zealand College of Psychiatrists (RANZCP):

> The RANZCP strongly supports a recovery-focussed and evidence-based model of care throughout the child and family services system, and we believe that funding arrangements need to reflect this in practice. The implementation of a comprehensive place-based approach is crucial to ensure services are able to meet the unique needs of communities in the NT. (sub. 11, p. 1)

Making decisions about children and family services in the Northern Territory on the basis of evidence can be difficult in practice. Where there is clear evidence that a particular service is effective in the Northern Territory (or in similar contexts), funding should be directed towards that service (if the service meets an identified need). But there are relatively few children and family services for which clear evidence exists. And funding services with *an*

evidence base does not necessarily mean those services will be effective if the evidence is not context specific. A report for the Lowitja Institute noted that:

> The majority of evidence-based programs have not been tested through [randomised controlled trials] in Australia (let alone in Aboriginal communities or contexts), and even the best-supported programs have not necessarily been independently tested with multiple cohorts or populations, although there are a small number of exceptions to this. (Emerson, Fox and Smith 2015, p. 31)

Local adaptation is an important option to help overcome the challenge of a lack of a context-specific evidence base and to help ensure that services meet local needs. However, adapting mainstream services is not always sufficient and there is another evidence gap regarding the effectiveness of local adaptations in the Northern Territory.

For example, the Home Interaction Program for Parents and Youngsters (HIPPY) has a predominantly mainstream evidence base. This evidence shows that that a large majority of children who participated in HIPPY increased enjoyment in learning and increased confidence in starting school, and that parents acquired parenting skills and increased the time spent with their children (ACIL Allen Consulting 2018). Although HIPPY has been adapted for Aboriginal and Torres Strait Islander families, there is little evidence about how effective this adaptation has been, and there is some evidence that uptake and completion of the program are lower in very remote Indigenous communities (ACIL Allen Consulting 2018; Emerson, Fox and Smith 2015).

A report for the Australian Institute of Family Studies also cautioned that the success of programs — in this case home visiting programs — in one community is not necessarily replicated in others.

> In general, the favourable results of a plethora of home visiting evaluations in Australia, Europe and the US have led to widespread acceptance of claims that home visiting prevention strategies are effective in reducing the potential for child abuse. However the positive results derived from these evaluations were based on a range of research designs, some of which do not give reliable results … It may also be difficult to replicate the success of a home visiting program in one community to another geographical area or sub-population, such as applying aspects of successful programs in the US to an Australian context … the findings from one program model cannot be generalised to another. (Holzer et al. 2006, p. 15)

Another factor that may influence the success of home visiting programs in the Northern Territory is that Aboriginal and Torres Strait Islander families may be reluctant to take up offers of individual home visiting (Flaxman, Muir and Oprea 2009, p. 36).

This suggests that while adapting services to the needs of Aboriginal and Torres Strait Islander communities (and evaluating these adaptations as part of a continuous improvement process) is important, it is only one part of the solution. Funding locally driven services and supporting the development of a localised evidence base for what works is also essential,

especially when the evidence base is very sparse or is lacking altogether. Children's Ground provided this view:

> … both levels of government continue to invest in prescribed and packaged solutions. We need to start backing and supporting our First Nations communities to design, deliver and evaluate their own solutions because this will enable the users to hold the child and family service system and funders to account. (sub. 23, p. 18)

Similarly, NAAJA noted concern with the appropriateness of available parenting programs which were 'largely described as being based on Western child rearing practices and often not facilitated by Aboriginal people for Aboriginal people' (sub. 28, p. 7). This suggests that Aboriginal-led programs that are delivered more informally — in which, for example, participants have a yarn or engage in creative activities like pottery, art or screen printing — can provide a more suitable model of parenting support for Aboriginal people.

Overall, the evidence base for what works in the Northern Territory context (and especially remote Aboriginal communities) is sparse. Given service decisions need to (inevitably) be made in the context of incomplete or imperfect evidence, adaptive learning (also known as 'continuous improvement') also has a role to play. There is limited information available on how well service providers are using performance data to refine and improve their activities, though it appears that performance reporting requirements imposed by governments are not facilitating this as well as they could (chapter 8). The result is that governments and service providers cannot be confident whether or not services work, are ineffective, or are causing harm.

The National Indigenous Australians Agency approach to using evidence

One of the criteria used by the NIAA to assess IAS grant applications is that there is evidence that the proposed approach has the potential to deliver the identified outcomes (box 5.1). While applicants are not asked to provide an explicit program logic, they are required to state the intended outcomes and how these align to one or more of the IAS program outcomes. The NIAA has also attempted to build the evidence base through evaluations of several of its children and family programs (box 5.9).

Box 5.9 Evidence base for selected NIAA programs

An evaluation of the **Stronger Communities for Children** program (box 5.5) found that while there can sometimes be a tension between strengths-based and evidence-based approaches, the program gave local boards the flexibility to innovate and design activities that built on community strengths. The evaluation also noted that, in general, there is a lack of evidence available to determine if an activity will work or not in remote Aboriginal communities (Winangali Ipsos Consortium 2017).

The **Remote School Attendance Strategy** engages local people to work with schools and families to support children to attend school every day (and is mostly rolled out in Aboriginal and Torres Strait Islander communities). An evaluation found that it did not improve school attendance in all families, and acting in isolation it was unable to improve attendance for families experiencing complex life events. However, the evaluation also found that when staff were appropriately trained and knowledgeable about other services, the program worked as an effective referral and coordination point for families (Winangali Ipsos Consortium 2018).

Inquiries into the IAS have found that the emphasis on evidence does not always match the reality. The Senate Finance and Public Administration References Committee found that an evidence base connecting the program areas with the intended policy outcomes was lacking when the IAS was initially designed (SFPARC 2016, p. 18). And in 2016, PM&C noted that:

> … there are substantial gaps in the evidence base about outcomes and impact. At the moment a very high proportion of what is funded through the [IAS] lacks a good evidence base. We do not have enough good quantitative studies testing the effects that can be attributed to interventions. (ANAO 2017, p. 64)

The inadequacies of the process used to assess community needs (discussed earlier) have implications here. It appears that even where funding decisions are being made with reference to evidence and an implicit program logic, there is still limited information about how relevant or effective proposed activities would be for the targeted communities.

Recognising that it is not sustainable to continue to fund activities lacking a good evidence base, in 2018 PM&C introduced funding to strengthen IAS evaluation, underpinned by a formal evidence and evaluation framework (PM&C 2018c, p. 7). In 2018, it also commenced a trial of a new Indigenous Grants Policy, which may result in some improvements to how communities are involved in decision making. The Indigenous Grants Policy requires the involvement of Aboriginal and Torres Strait Islander people in the design and delivery of services and the trial is being conducted for selected programs within the NIAA, DSS and the Department of Communication and the Arts (DSS, sub. 26, p. 8). The requirement to co-design successful grant activities could help to improve the likelihood of services being effective in the context in which they are delivered. A focus on funding local Aboriginal and Torres Strait Islander organisations to deliver the services may also help to ensure that services meet the needs of communities and are designed and delivered in a culturally appropriate and effective way.

The Department of Social Services approach to using evidence

DSS places strong emphasis on the need for an evidence base in its program guidelines and funding decisions. This permeates its approach to program design, where programs are developed in advance to address national priorities, then rolled out in selected communities on the basis of various demographic and social indicators — a top-down model.

The guidelines for DSS' Family and Children Activity state that service providers are 'expected to monitor changes in their communities and adjust the services they deliver to meet the changing needs of families and children' (DSS 2017, p. 13). And in consultations on proposed changes to those guidelines, DSS indicated that in future it will ask organisations to demonstrate that their services are supported by evidence when applying for funding (DSS 2018c, p. 9).

DSS' operational guidelines also emphasise the importance of evidence. For example, the guidelines for IFSS state that service providers need to 'offer evidence informed locally adapted and culturally appropriate services' that tailor support to the unique needs of individual adults and children (DSS 2016, pp. 6, 23). However, as discussed in the preceding section on community involvement, any adaptation of services and activities to local conditions largely occurs after a funding decision has been made. Thus, while it is possible to adapt the service or activity to the unique circumstances of communities, this adaptation is limited by the parameters of the program established by DSS.

It is difficult to reconcile the flexibility espoused in program guidelines with feedback from participants to this study, who suggested that flexibility is very limited in practice. One example of this is the CfC program, which has evidence-based requirements that do not always align with local needs (box 5.10). This approach creates a tension between fidelity to the existing evidence base and tailoring to local conditions, and can conflict with place-based approaches to service delivery.

Box 5.10 DSS Communities for Children evidence requirements

The Communities for Children program requires facilitating partners to allocate at least 50 per cent of funding to high quality, evidence-based programs assessed by the Australian Institute of Family Studies (AIFS) as having a relatively rigorous evidence base. AIFS has a guidebook of off-the-shelf evidence-based programs that can be selected. Alternatively, facilitating partners can meet this requirement by funding activities that are not in the guidebook, provided that those activities are assessed by AIFS as a promising or emerging program.

- Promising programs must meet five criteria:
  1. a documented theoretical and/or research background
  2. a clear theory of change (program logic)
  3. activities that generally match good practice in addressing the needs of the target group
  4. one or more evaluations have been conducted to establish positive benefits for the target group, with pre and post-testing of participant outcomes
  5. staff members who run the program are sufficiently qualified and/or trained.
- Emerging programs do not yet have to meet all the criteria, but need to be on the way to meeting them in the near future.

The remaining proportion of funding can be used on promising or innovative activities that have not yet been subject to rigorous evaluation or for which an evidence base does not currently exist.

An evaluation of the Communities for Children program found that only a minority of the facilitating partners adapted approved programs, and that there are difficulties implementing the evidence base requirements in regional and remote communities. The evaluation also found that about a third of the facilitating partners were unsure or did not agree that they would be able to meet the 50 per cent target for evidence-based activities in the required timeframes, and reported that only a limited selection of evidence-based activities would match community needs. There was a suggestion that evidence-based activities might be selected to meet the target rather than meeting the identified needs of the community. Further, meeting the requirements in remote locations was difficult due to the impact of transient populations, workforce skill shortages, and the need to service communities with specific cultural factors.

Sources: ACIL Allen Consulting (2016); AIFS (2019d); DSS (2014a).

The NT Government approach to using evidence

Grant guidelines for some of the NT Government's children and families programs require those programs to be evidence based. For example, projects to prevent domestic, family and sexual violence (box 5.3) will only be funded if they 'clearly demonstrate how existing evidence has informed the project design' (Territory Families 2018c, p. 6), but that evidence does not have to be specific to the Northern Territory. Other grant guidelines, such as those for Darwin youth activities, require service providers to demonstrate a commitment to collecting evidence of what works best and makes the most difference to young people (Territory Families 2018b, p. 5).

The Families as First Teachers program (which targets Aboriginal families with young children and incorporates the Abecedarian approach to early learning) and the Strong Women, Strong Babies, Strong Culture program (which targets young pregnant Aboriginal women) are examples of programs funded by the NT Government that have been identified as having an emerging or promising evidence base (Emerson, Fox and Smith 2015).

In contrast, youth diversion boot camps are an example of a program funded by the NT Government, despite evidence suggesting that it is not effective. Several concerns have been raised regarding the effectiveness of boot camps.

- In its statement to the Royal Commission, Territory Families recognised that substantial criminological evidence shows that boot camps do not prevent children and young people from reoffending (RCPDCNT 2016, p. 511).
- Program implementation reports for the NT Government's Early Intervention Youth Boot Camp program also note that programs without therapeutic intent are not supported or are ineffective (Raymond and Lappin 2017).
- Bushmob Aboriginal Corporation has also criticised boot camps as being non-therapeutic and inconsistent with expertise within the Northern Territory (Bushmob Aboriginal Corporation 2016, pp. 31, 36).

The NT Government's 2019 *Back on Track: Cutting Youth Crime Plan* incorporates boot camps (Gunner and Wakefield 2019). This highlights the ongoing difficulty of incorporating evidence into funding decisions.

5.5 Overall issues with current processes

Government processes lack transparency

Publicly available information upon which to assess government processes for selecting which children and family services to fund was more limited than the Commission expected. This experience echoes a concern held by many that there is insufficient transparency about the funding decisions that governments are making, and limited explanation of these decisions to affected communities and service providers. It is unclear how the advantages of activities for one place are weighed against those in another, with the risk of inequitable funding flows driven by the capacity of service providers to apply for funding, rather than being driven by an assessment of the needs of communities or likely effectiveness of different services.

There is also limited transparency in other areas, and inadequate sharing of data between departments (including basic information such as which services are being funded where — chapter 3). Government departments are not fully harnessing the data to better target or design services. These deficiencies can be compounded by the reliance on service providers to assess needs, consult with communities and adapt programs to local contexts — often with patchy access to government-held data and limited oversight or verification by

departments. It is hard to avoid the conclusion that governments are abrogating some of their responsibilities to understand local needs and to engage communities in determining which services they receive.

Silos are counter to the public-health and place-based approaches

Insufficient transparency contributes to a siloed approach to funding decisions, with multiple programs being provided — often in a top-down manner — with little reference to each other and in the absence of a comprehensive understanding of each community's circumstances, needs or priorities. Regardless of the strengths and weaknesses of each individual program, this programmatic approach is resulting in a fragmented service system — as clearly evidenced by the stocktake results in chapters 2 and 3 — with government expenditure poorly targeted and likely failing to best address needs.

Despite the plethora of services being funded in the Northern Territory, some of which are community driven and evidence based, there is a view that children and families are not receiving enough or the right support services. For example, the Child Friendly Alice (2019, p. 11) survey of adults identified 'lack of youth, child and family activities and events' and 'lack of support for children and families' in the top ten factors inhibiting hopes and dreams for children and young people in Alice Springs. Some individual services may be effective, but the overall mix is not.

Ultimately, this acts counter to a public health approach. A fragmented approach to funding does not necessarily preclude effective service delivery where services are well coordinated and integrated at a local level, but coordination efforts themselves are partial and fragmented (chapter 4). Services appear to be funded with little reference to what is already being provided, undermining attempts to integrate services in ways that better meet the needs of children and families.

The system is also failing to be place-based, with funding decisions based on partial information and evidence. This means that funding is not meeting the greatest needs and priorities of each community, and is not flowing to where it will deliver the greatest social return. Often, the result is that necessary services do not exist, and the services that get funded are not tailored to the social, cultural or demographic contexts of the community, and thus are less effective.

As the Royal Commission identified, transformation is necessary.

> To adopt a public health approach there needs to be fundamental shift away from a service-driven system where a patchwork of services are funded to address an issue in isolation and towards a child centred system where the unique needs of the families and communities within which they grow up are understood and matched to an effective response. A public health approach will provide the data and evidence to inform, and the strategic structure to integrate and co-ordinate individual services and programs so they work in collaboration and complement each other with a focus on outcomes for children and families. (RCPDCNT 2017, vol. 3B, p. 198)

DRAFT FINDING 5.1

The Commonwealth and NT Governments are making funding decisions about children and family services in ways that are not consistent with either the place-based or public health approaches to preventing harm to children.

Although there are pockets of good practice and improved processes emerging in some areas, it remains the case that:

- the needs of children and families in each community are not assessed in a systematic or rigorous way, and there is no holistic consideration of which services would best meet local needs and priorities
- community input into service selection and design is often belated or superficial
- there is sparse evidence for 'what works' in the NT context (and especially in remote Aboriginal communities).

The end result of these processes is that the system of children and family services in the Northern Territory is fragmented, with government expenditure poorly targeted and failing to best address the needs of children and families.

6 Coordinating funding between governments

Key points

- To deliver on their shared responsibility of keeping children and young people safe and well, the Commonwealth and NT Governments need to change the way they fund children and family services in the Northern Territory. A new coordinated way of working would include both governments genuinely engaging with communities and coming to a shared understanding of current issues affecting children and families. It would also involve governments making a joint commitment to solutions and having collective ownership of, and accountability for, outcomes.
- A formal process is needed to put this new coordinated way of working into practice. While a formal coordination process could take many forms, best results will be achieved when both governments: share detailed data, agree on what types of services they will each fund and in which locations, and agree to pool funds in specific policy areas and/or locations where there is already a high degree of overlap in funding activity.
- The coordination process should involve:
  - collating available community-level data on service availability, outcomes (risk and protective factors) and expenditure on children and family services in each community
  - sharing the data and working with communities to develop a community plan that provides a snapshot of the strengths and needs of children and families and gives the community a voice about which children and family services they would like to retain, change or replace. The regional representatives would assemble the community plans at a regional level, together with a summary of overall expenditure, headline data and any other relevant information for each region
  - the Children and Families Tripartite Forum drawing on the community plans to provide advice about funding arrangements for children and family services across the Northern Territory, including advice about funds pooling for particular locations or services
  - the relevant Commonwealth and NT Government Ministers considering the advice of the Tripartite Forum, agreeing on which children and family services each is going to fund and in which locations (including pooled funding arrangements), and publishing details of the agreed funding.
- This process should be repeated as often as necessary to guide coordinated funding decisions. This may be annually, as existing short-term contracts end and new data gradually becomes available.
- The regional network staff of both governments will play a key role in facilitating community planning and providing a regional perspective on children and family services. Ensuring that these staff have the skills, capacity and authority to fulfil this role will be essential to the success of the coordination process.

There is very little coordination between the Commonwealth and NT Governments for program and funding decisions about children and family services in the Northern Territory. The coordination that exists is typically informal and ad hoc. While attempts have been made to improve coordination, both between governments and across departments within them, these have been insufficient (chapter 4). There is also no holistic identification of the needs and priorities of children and families in each community, and little transparency about what analysis is being done (chapter 5).

This chapter sets out a way to better coordinate the policy and funding decisions of the Commonwealth and NT Governments in meeting the needs of children, families and communities. It outlines options for better coordinating funding decisions (section 6.1), the merits of each option, and describes the Commission's recommended option (section 6.2). It then provides an overview of the process by which the Commonwealth and NT Governments could reach agreement on funding for children and family services (section 6.3), before describing the key steps of the coordination process in further detail. Those steps are:

- collating community-level data (section 6.4)
- developing community plans (section 6.5)
- obtaining advice from the Children and Families Tripartite Forum (the Tripartite Forum) (section 6.6)
- reaching agreement on funding for children and family services across the Northern Territory (section 6.7).

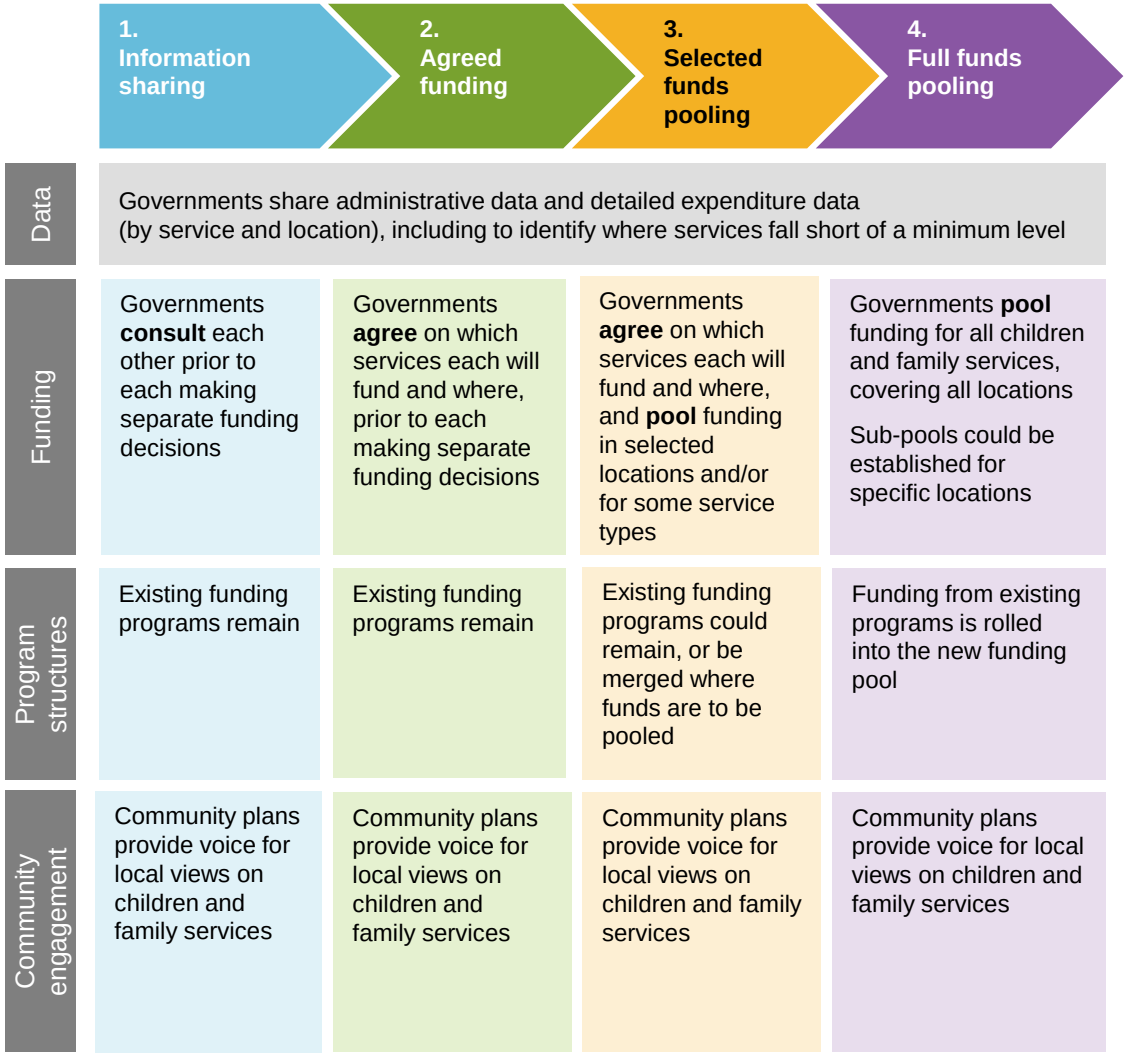
Section 6.8 outlines other changes that will be required to support the process.

6.1 Options for coordinating funding decisions

There is a range of options for how the Commonwealth and NT Governments could coordinate their decisions about funding for children and family services in the Northern Territory. The form and extent of this coordination could range from information sharing up to formal pooling of all relevant funds. Four options along this continuum are described below and summarised in figure 6.1.

Importantly, the four options build on each other. All involve both governments working together. All have a common foundation of enhanced information and data sharing, including information that is fed up through a new community planning process (this base level is option 1). Options 2, 3 and 4 build on this to bring in progressively more integrated forms of coordination, including requirements for governments to agree on each other's funding commitments (options 2 and 3), moving towards formal pooling of funds to more holistically meet community needs and priorities (options 3 and 4).

Figure 6.1 **Options for intergovernmental funding coordination**



Although these options are designed to coordinate funding decisions, they would also present opportunities for governments to align their policy objectives and programs, including by identifying where particular responsibilities could be allocated to one government or the other. And while the two governments are jointly responsible for preventing harm to children in the Northern Territory (chapter 4), the process of coordinating and aligning funding priorities could naturally result in greater demarcation of responsibility for specific service areas.

Any of these four options would be a marked improvement on how the Commonwealth and NT Governments are making decisions today. In addition to facilitating better coordination *between* each government, they could and should also serve to improve coordination across departments and agencies *within* each government. In particular, they can help to address the lack of coordination between the Commonwealth's National Indigenous Australians Agency

(NIAA) and the Department of Social Services (DSS) in selecting which services they respectively fund and deliver (chapter 5).

All of the coordination options could also co-exist with forms of local decision making, where communities choose for themselves which services they want to receive, who will deliver them, and/or how they will be delivered. In some options, this could mean that governments follow the direction of individual communities when making funding decisions; in others, it could mean giving community organisations their own pool of funding to administer. The degree of control that communities have — including over which types of services — will vary across the Northern Territory depending on the willingness and readiness of each community to take on such responsibilities, as well as the willingness of the NT Government to devolve responsibility and enter into local decision making agreements (chapter 1).

Option 1: Information sharing

A clear understanding of what each government is currently funding and the needs of communities is a prerequisite for coordination. Developing a service list (chapter 3) will help both governments and communities to obtain an overall picture of which children and family services are being funded by which governments in which locations.

As well as the service list, the information sharing option would require governments to share the data that each currently holds about children, families and communities across the Northern Territory. This includes demographic data and administrative data across the full range of government services (such as child protection, policing, housing and health).

In addition to this, each government would commit to sharing data on its current expenditure on children and family services in the Northern Territory, disaggregated by service type and location. When summed across the two governments, this would provide baseline measures of expenditure and service availability. These could then be compared to the list of core services — that the Tripartite Forum is expected to define as part of the development of the Generational Strategy for Children and Families (chapter 4) — to identify where the current level of service provision falls short. This comparison could be made jointly by working through the Tripartite Forum. Sharing expenditure data can also help each government to hold the other to account where funding levels change or the minimum level of services is not being provided.

This option would also require governments to share information on each community's needs. But given that the current ad hoc needs assessment processes are not delivering a holistic picture, a better process for hearing from communities is required. To this end, government should work with communities to develop a community plan that outlines current services and future priorities for children and families in the community (the development of community plans is discussed in section 6.5).

Sharing these kinds of information can then help governments to better target their respective funding programs to where additional funding would add value. At a minimum, governments should give each other (and the community) advance notice of what they are going to fund, and consult each other prior to locking in the funding. This would give each government a better sense of how and where its funding can best be targeted given what the other is doing, and avoid situations where they are each providing the same type of service in the same place.

For example, the NT Government could share with the Commonwealth Government detailed data on domestic violence incidents by location, together with data on what services it is directly providing or funding to address these. The Commonwealth Government could share clear information on which specific types of family law and counselling services it plans to fund in upcoming funding rounds (and precisely where those services will be delivered in the Northern Territory).

Under the information sharing option, existing funding programs (such as NIAA's Indigenous Advancement Strategy or the NT Government's Families as First Teachers program) could remain in place. Governments would consult each other but not be able to directly change or veto each other's funding decisions. They would each retain full autonomy over their expenditure, but be able to make more informed decisions.

Option 2: Agreed funding

In this option, governments would go beyond merely sharing information and establish a joint planning process whereby they agree on what services they will each be responsible for funding, and in which locations. It would allow for a more systematic approach to funding the needs and priorities of each community by facilitating discussion of who is best placed to fund unmet needs, as well as directly dealing with the risks of overlap. It would draw on the improved information and data sharing and the community planning process put in place under option 1, but provide more certainty to all parties that coordinated funding decisions would be made.

The Tripartite Forum would play a more central role in the agreed funding model, not just in identifying gaps in services, but also in advising governments on where expenditure should be prioritised and how agreement on what each government will fund could be achieved. To give a simplistic example, if multiple communities require youth diversion activities and other communities require family support services, one government might commit to funding youth diversion everywhere, and the other to funding family support everywhere.

Existing funding programs could largely remain in place initially, with each government directing funding through these programs to meet areas of identified need and 'signing off' on each other's funding decisions. Governments could, however, go further and adopt a common program or a common process for program development (for instance, they might choose to work together to establish a common intensive family support program).

In either case, the Tripartite Forum could lead a process of 'nominal' funds pooling, where each government specifies the funding it has available (either in total or for particular services areas, such as for parenting programs) and agrees to be guided by the advice of the Tripartite Forum in how and where this should be spent, subject to the existing program structures and rules. This would not be as flexible as formal pooling (described below), but may be able to deliver a close approximation in some areas.

Option 3: Agreed funding with selected funds pooling

This option takes the previous one as the starting point — both governments share data and agree on which services each will fund and in which locations, drawing on more and better data and greater community input. It then builds on this by formally pooling funds in some service areas. Governments would need to agree on what specific activities and services are funded through pooling arrangements, and then commit to using a single process for allocating funding — for example, they could provide funding to a separate entity to look after a specific service area, or adopt a single joint process for assessing funding applications and providing grants. Pooling would avoid the problem of service fragmentation and, combined with the community plans, help to direct funding to where the social returns would be greatest.

As part of the process of agreeing on what they are going to fund, governments would also need to agree on where and how they are willing to pool their funds. The most obvious way to do this is to pool funding for specific communities or regions, with a local entity deciding on how these funds are then spent on particular children and family services. The local entity could be entirely comprised of local community organisations, or could include representation by both governments. Place-based pooling could be aligned with community plans, such that a single funding pool is available for meeting the needs and priorities identified in a plan.

Place-based pooled funding can also facilitate a move towards greater local decision making. This could be done for some or all children and family services in locations where there are local decision making agreements, with a local organisation directing how government funding is used to meet community needs.

Pooling could also be considered in specific service areas, for example, those where:

- there is considerable overlap in the roles and responsibilities of each government (such as domestic violence and youth diversion programs)
- governments are already pursuing the same objectives through very similar programs (such as intensive family support).

The funding pool for each service area could be administered by an existing body (such as a single government department) or by a new body established for that purpose. Funds in the pool would still need to be allocated to particular services in accordance with the needs and priorities of each community.

Figure 6.2 provides a hypothetical example of what agreed funding with selected pooling might look like in practice. For instance, both governments might agree to pool their available funding for specific communities, to be administered by a local community organisation. Of the remaining funding, they might also agree to pool funding for nurse home visits and task a single entity (such as the NT Department of Health) to allocate that funding based on needs identified in community plans across other locations in the Northern Territory. Funding for other services, such as safe houses or behavioural screening, might remain in separate programs administered by each government, but with agreement on what specific services each will fund in each location. This agreement could be reached on a program basis (as shown in figure 6.2) or on a location-by-location basis (with, for example, the NT Government funding safe houses in one community and behavioural screening in another community and NIAA funding the other service in each community).

This option has similarities with how the Commonwealth and NT Governments have coordinated funding for primary health care services through the NT Aboriginal Health Forum (box 6.1). The NT Aboriginal Health Forum example also highlights the importance of continued information flows for the success of the coordination process.

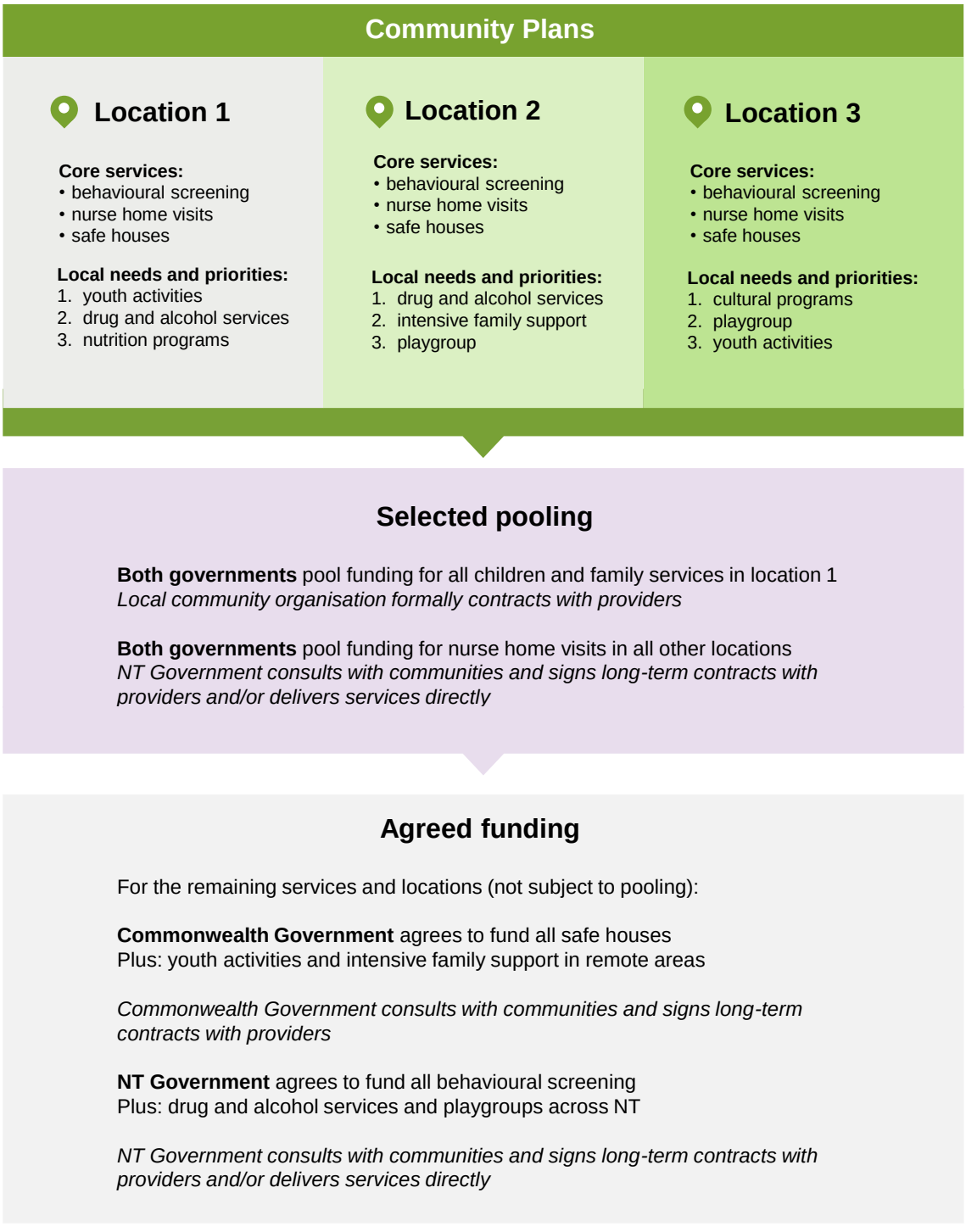
Local funding pools have also been used to fund children's services in other countries. For example in England, Children's Trusts — comprising of government and local authority representatives — undertake joint planning of services for their region, and pool funds where appropriate (Bachmann et al. 2009).

Option 4: Full funds pooling

A fully pooled funding model — with a single body making decisions about which services to fund — would be the closest form of coordination, and also the most radical change from current practice. In this option, both governments would transfer the funds they each have available across their programs to a central pool. As with option 3, the pool of funds could be managed by an existing body (such as a single government department) or by a new body established for that purpose. Governments would then decide, guided by advice from the Tripartite Forum, how to best allocate these funds to meet the needs of communities across the Northern Territory. Within this funding pool, sub-pools could be carved out for individual communities that are ready and willing to manage their own funding as part of local decision making agreements. Sub-pools could also be created for regions, and managed at a regional level, potentially by the Regional Strategic Coordination Committee (chapter 4).

Existing funding programs would cease to operate in the Northern Territory, with their funding rolled into the new funds pool. This would create complications in some cases, such as Commonwealth programs that deliver funding on a nationwide basis, or where services overlap with existing arrangements in health or education. Governments would also need to commit not to override the arrangement by funding services outside of the pooling arrangement.

Figure 6.2 **Agreed funding with selected pooling: Hypothetical example**



Box 6.1 Funding arrangements for the NT Aboriginal Health Forum

The Northern Territory Aboriginal Health Forum (NTAHF) is a formal partnership between the Aboriginal Medical Services Alliance Northern Territory, the Australian Government, the NT Government and the Northern Territory Primary Health Network.

It was established in 1998 as an advisory body to allow the parties to formally coordinate an approach to the delivery of primary health care services at a level that reflects the needs of Aboriginal people and their communities. The parties formally agreed to transparent information sharing and planning efforts, and to coordinate and/or support the implementation of new programs, while retaining autonomy over their own legislative requirements and responsibilities.

Regional planning has played a central role in the NTAHF's deliberations. This has involved: governments sharing data on per capita expenditure on primary health care in each region, detailed mapping of services in each region, population workforce ratios for GPs, nurses and Aboriginal Health Practitioners and comparison of existing services to a 'core services' framework (a set of primary health care services that should be accessible everywhere).

This work was used to inform funding decisions prior to 2011. In 1999, the Primary Health Care Access Program (PHCAP) funding model was developed to determine the minimum funding required to deliver the core services in each region. It was based on multiplying national average expenditure per capita (based on the Medicare Benefits Schedule and Pharmaceutical Benefits Scheme) by a remoteness factor, and a morbidity factor. From 2008 this model was built upon for the Expanded Health Services Delivery Initiative (EHSDI) which was funded as part of the NT Emergency Response. This added some additional loadings to the funding model including a fluency in English language factor and a cost of service delivery factor. The outcomes that these funding models required were then compared to existing per capita funding levels (across both governments) to prioritise additional funding to regions that fell below the minimum expenditure level. Funding was then allocated to health clinics in each region on a 'capitation' basis — a form of block grant designed to fund all the primary health needs of a specific population, instead of providing funding on a fee-for-service basis.

This funding process was advisory in nature, and used to equitably allocate funding according to needs. Governments used the advice to direct money from existing programs towards areas of need. As such, there was a process of 'nominal' funds pooling rather than formally pooling funds within a specific entity. Much of the additional funding was provided through Commonwealth programs designed to improve access to primary health for Aboriginal populations initially through the PHCAP and then EHSDI.

Attempts have been made to set up formal funds pooling at a regional level (covering all government departments and programs), but this has not eventuated. However, there have been trials of formal pooling in the Katherine West and Tiwi health regions under the Aboriginal and Torres Strait Islander Coordinated Care Trials (which ran from 1997 to 1999 and from 2002 to 2005). Evaluations found that these trials significantly improved access to health services, although they also highlighted considerable unmet health needs.

The NTAHF has also developed a set of NT Aboriginal Health Key Performance Indicators to monitor primary health care processes and outcomes, and developed a process for transitioning government-run primary health care services to Aboriginal community control.

Sources: Allen and Clarke (2011); AMSANT (2014, p. 3, 2019); Australian Government, NT Government and AMSANT (2015); J. Boffa (Central Australian Aboriginal Congress, pers. comm., 13 October 2019); Dwyer (2015, pp. 24–25); Parker (2007); PricewaterhouseCoopers (2007).

6.2 Choosing between the coordination options

All four of the options described in the previous section would represent a significant improvement to current practice, and all would also be significant policy changes for both the Commonwealth and NT Governments. As the options fall along a continuum of increasing coordination, governments could agree to start with relatively modest forms of coordination but then increase the nature and extent of coordination over time.

Few study participants commented specifically on what exact form of coordination governments should pursue over time. Some (including AMSANT, sub. 20, p. 9; NMHC, sub. 17, p. 6; NACCHO, sub. 21, p. 9) suggested that models of pooled or bundled funding should be explored for children and family services. Specifically, AMSANT (sub. 20, p. 9) favoured a process of 'nominal funds pooling', whereby governments commit to funding arrangements and amounts without needing to set up a formal mechanism to hold and administer funds.

There are several criteria that can guide governments in agreeing on a form of coordination.

- Reduced fragmentation — does the option reduce the risk that service delivery remains fragmented, duplicated or poorly targeted because government funding priorities are not adequately aligned (meaning that children, family and community needs are not met or the right mix of services is not being provided in each place)?
- Clear accountabilities, including shared accountability — does the option make it clear who is responsible for what, thus allowing for greater accountability for funding decisions?
- Compatibility with local decision making — how easily could decision making responsibilities be handed over to local communities that are ready and willing to take on these responsibilities?
- Incentives — are there incentives for each government to stick to the arrangements rather than unilaterally walking away, shifting costs or playing the blame game?
- Transition — are the transition costs likely to be manageable, including where existing funding programs need to be altered or terminated?
- Integration with other services — how straightforward would the interactions be between the option and other government services that are out of scope of the arrangements (such as primary health)?

Table 6.1 provides an assessment against these criteria. All options have disadvantages as well as advantages. At the ends of the spectrum, information sharing alone does not appear sufficient to address the problem of governments pursing different objectives, and full funds pooling is likely to be too ambitious and disruptive to implement, at least in the medium term.

Table 6.1 **Assessment of intergovernmental coordination options**

Option	*Advantages*	*Disadvantages*
1. Information sharing	• Greater transparency of existing expenditure reduces incentives to shift costs to the other government • Avoids unintended service overlaps and helps identify gaps • Low transition costs • Limited consequences for out-of-scope services	• Fragmentation may remain if governments each fund the same types of services, or neither funds high-priority services in some places • Providers still need to navigate multiple funders (administrative burden) • Scope for cost shifting and low accountability • Local decision making would be contingent on governments following the advice of communities
2. Agreed funding	• Reduces fragmentation by avoiding service overlaps and better targeting gaps • Each government has flexibility to change its priorities (provided the other agrees) • Would not necessarily impinge on out-of-scope services • Could support accountability if responsibilities are clear	• Risk of deadlock if governments have different priorities or do not agree on decisions • Risk of governments bypassing the process to fund new initiatives/projects • Providers still need to navigate multiple funders • Local decision making would be contingent on governments following the advice of communities
3. Agreed funding with selected funds pooling	As above, plus: • Can avoid service fragmentation in specific (problematic) areas • Can accommodate local decision making in specific communities • Precedent in Aboriginal primary health	As above, plus: • Potential complexity of using different funding arrangements for different service types • Some transition costs depending on extent to which funding processes are integrated/merged
4. Full funds pooling	• In principle, can avoid service fragmentation • Binds each government to a common policy and funding approach • Can accommodate local decision making in specific communities • Reduced administrative burden on service providers	• High transition costs/risks (including with Commonwealth funding being carved out of Australia-wide programs) • Risk of governments bypassing the pool to fund new initiatives/projects • Potentially complex interactions with arrangements for other services (such as primary health)

On balance, there would be considerable merit in the Commonwealth and NT Governments, agreeing on what services each is going to fund and in which locations. There would also be benefit in commencing formal funds pooling in specific locations or for selected services, initially on a small scale, to gain a better understanding of the practicalities, risks and challenges that pooling would give rise to. As such, the Commission considers that governments should commit to pursuing an approach of 'agreed funding with selected funds pooling' (option 3).

Agreed funding with selected funds pooling offers several clear benefits. It would:

- support clear accountability while reducing service fragmentation
- reduce the need to resolve complex areas of overlapping roles and responsibilities between governments, where both can commit to applying funds pooling

- most easily accommodate pooled funding to support local decision making in communities that are ready and willing, and thus be compatible with a longer-term shift towards greater local decision making
- have modest transition costs.

With time, and subject to the lessons of the initial phases, funds pooling could be expanded to more service areas and/or locations. Over the longer term, this option could serve as a stepping stone to something closer to full funds pooling and significantly greater local control over services, funding, evaluation and outcomes. Both governments have already agreed (as part of the Barkly Regional Deal — chapter 1) that the Barkly region 'will be a priority location to commence implementation' of the coordinated funding framework (Australian Government, NT Government and Barkly Regional Council 2019a, p. 21). This region could thus be a contender for pooled funding in the first instance.

The details of how the Commission recommends that agreed funding with selected funds pooling could work in practice are considered in the following sections.

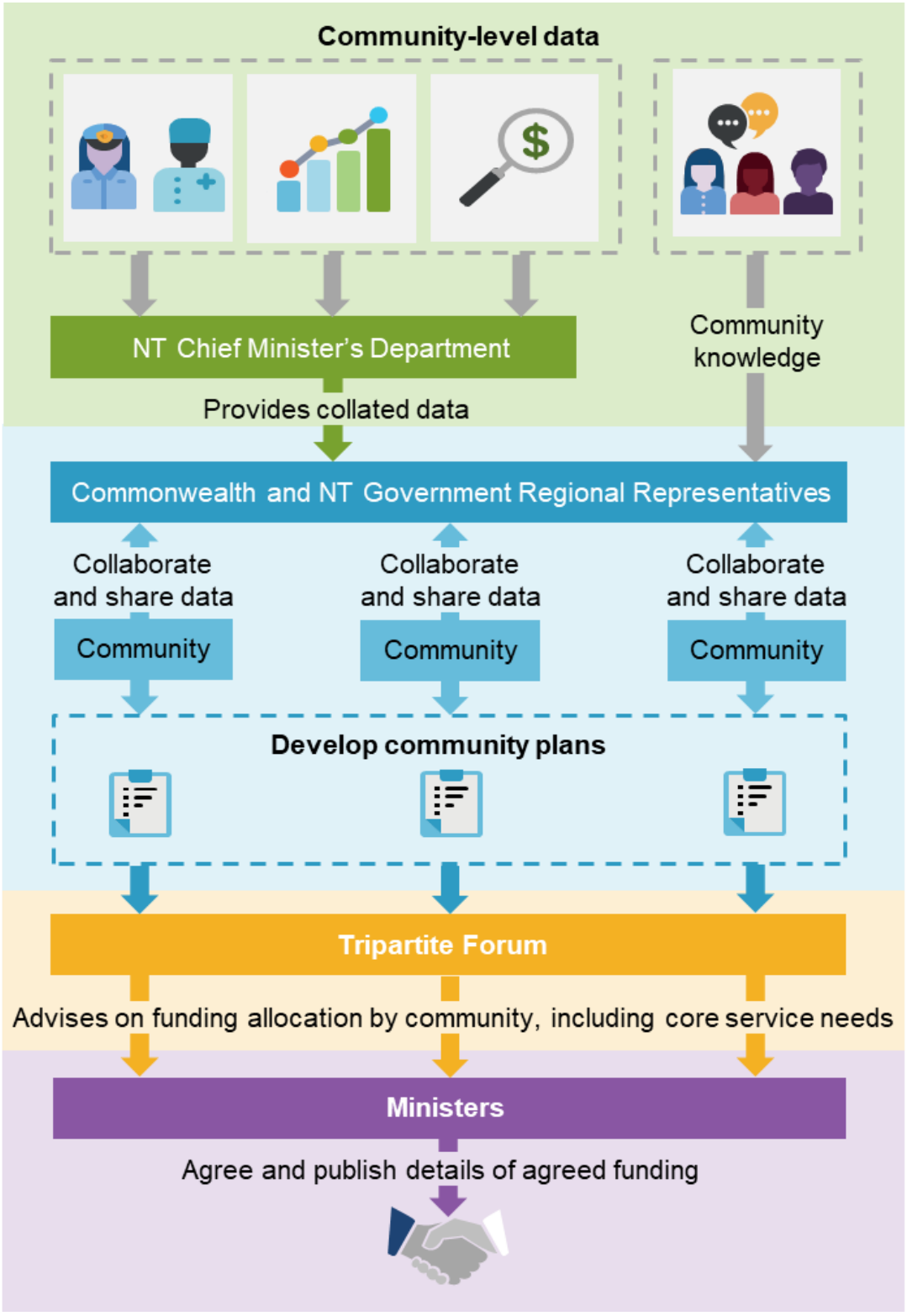
6.3 Putting the preferred option into practice

The Commission is proposing a way for the Commonwealth and NT Governments, in conjunction with communities, to agree on funding arrangements for children and family services. By following this process, the Commonwealth and NT Governments would have genuine engagement with NT communities, come to a shared understanding of current issues affecting children and families and their needs and priorities, make a joint commitment on solutions and have collective ownership of, and accountability for, outcomes.

The process would have four main steps (figure 6.3).

1. Collating community-level data on services, outcomes (risk and protective factors) and current expenditure on children and family services in each community.
2. Sharing the data with community members, and working with them to develop a community plan that outlines current services and future priorities for children and families in the community.
3. The Tripartite Forum providing advice about funding arrangements for children and family services across the Northern Territory.
4. The relevant Ministers of both governments agreeing on which children and family services each is going to fund and in which locations, and publishing the details of agreed funding.

Figure 6.3 **A process for the Commonwealth and NT Governments to agree on funding for children and family services**



Each of these four steps is described in more detail in the sections that follow. Information about each stage of the process should be made publicly available. This includes publishing community-level data where agreed by communities, community plans, the Tripartite Forum's advice and statements from Ministers about the children and family services that they have agreed to fund.

In order for the advice from the process to be up to date when funding decisions are made, the process may need to be repeated annually. This reflects that currently, many funding decisions are made on an annual basis, using annual budgeting and reporting cycles. An annual coordination and planning process need not be onerous — if new community-level data have not been published or community priorities have not changed, updating community plans and providing advice based on those plans may be quite straightforward. Another benefit of repeating the coordination and planning process on an annual basis is that it will allow for iterative improvements to be made to the process. It will also, through experience, help to build the capacity of all of those involved.

What constitutes a community?

In order to be of value in guiding government funding decisions, engagement with communities needs to accurately reflect the situation and priorities of each distinct community, taking into account the social, cultural and economic ties that exist across populations.

The questions that then arise are what is a community and where should its boundaries be drawn. While it would be tempting to say that each town or settlement should be considered as a separate community, this may be unworkable or inefficient if sufficiently granular data is not available, if social and cultural networks (and population movements) span a broader geographic area, or if services can only be provided effectively across a wider area. But it is clear that communities in urban areas such as Darwin will be much larger in terms of population, while remote communities may cover a much larger geographic area. Communities' views on where their boundaries lie should be paramount in the process, but a starting point could be existing administrative boundaries (box 6.2). Of the available options, the Commission's preferred option would be to start the community planning process based on the existing boundaries of the 63 local authorities. In practice, it is likely that there would be fewer than 63 community plans, as some local authorities would consider themselves part of the same community and may wish to work together on their plans for children and family services. For example, three local authorities are represented under the Groote Archipelago Local Decision Making agreement, and they may choose to collaborate to develop one community plan for Groote.

Box 6.2 Existing governance areas that could define a community

There is no simple answer to determining the number of communities that should be involved in the consideration of funding for children and family services, as this depends on the definition of a community. However, using community boundaries that are already defined would have the benefit of allowing the community planning process to start more quickly. There are a number of existing options. For example:

- there are 72 remote Aboriginal communities in the Northern Territory as well as the larger centres of Darwin, Alice Springs and Katherine
- there are 9 regional councils and 63 local authorities in the Northern Territory
- the NT Government is establishing 17 Child and Family Centres across the Northern Territory. Each of these could be a hub for a community
- the service areas of the 25 members of the Aboriginal Medical Services Alliance in the Northern Territory (AMSANT) Aboriginal Health Forum could be used as a base for defining communities.

Government regional network staff, through their existing relationships with communities and organisations should have a key role in facilitating the process of defining a community. In some regions, governments may need to play a more hands-on role in engaging with people to define the community and the organisations/people that represent the community. Factors that may influence the self-definition of communities include; language, cultural and family groups, population mobility patterns and distances between physical communities.

While the process will inherently involve some element of 'drawing lines on maps' — to ensure that every child and family in the Northern Territory is covered by a community plan — communities should not permanently be locked into their initial boundaries if these are no longer fit for purpose.

6.4 Step 1: Collating community-level data

Better collection and use of data on services, risk and protective factors, and outcomes for children and families at the community level is central to making the funding coordination process work, and underpins the community planning process.

When used well, data can support powerful changes in communities. The Commission's inquiry into Data Availability and Use found that:

> There is broad scope to increase the availability and productive use of data. Greater access would empower individuals to make more-informed decisions about the products and services they choose, drive the development of new products and services and improve the efficiency of markets. It would also shine a light on the activities of government and improve its efficiency and accountability. (PC 2017a, p. 61)

In the context of children and family services, access to reliable data is vital in empowering service users, communities, service providers and governments to make good decisions, and to achieving shared responsibility and accountability for the protection of children.

> To tell the public health community that it is their responsibility to respond to the problem of child abuse and neglect, but not equip them with the information to carry out this mission is at best a contradiction, at worst sabotage. (Broadley, Goddard and Tucci 2014, p. 21)

Many study participants emphasised the importance of making better use of data to inform funding decisions about children and family services.

> More effort needs to be made to ensure community level data is influencing the services that are funded and what they are funded to do. By providing community members with data and information on how children and families are faring, and then seeking community input on how to respond to those needs or issues we are likely to get better engagement in the service responses by the hardest to reach families. (Child Friendly Alice, sub. 16, p. 5)

> Access to accurate and timely community-level data is essential in supporting government and providers to target services appropriately. (Save the Children, sub. 30, pp. 1–2)

Service providers in Yuendumu also highlighted the lack of available data as being a key reason for the absence of a comprehensive needs analysis in that community. Some providers would like access to de-identified police data (such as on the number of break ins) and health data (such as the incidence of rheumatic heart conditions) at a community level to enable them to be more responsive to changes in community circumstances (appendix B).

Collating available data

The first stage of the funding coordination process is for data about each community to be collated and provided to regional network staff of both governments, with the ultimate aim of then sharing and testing the data with communities. This would typically mean providing it to the most senior representative of the NIAA and the NT Department of the Chief Minister in each of the five regions in the Department of the Chief Minister's regional network, as well as to regional coordination committees (chapter 4). The five regions are Central, Barkly, Big Rivers, East Arnhem and Top End, though there may be merit in considering Greater Darwin to be a sixth 'region'.

A range of data that can provide insight into the wellbeing of children and families, as well as the prevalence of risk and protective factors for child harm, are already publicly available at the community level. Some of the data is already gathered by various government agencies on measurable outcomes from health, education, justice, and child protection. A selection of baseline population and administrative data that are publicly available at the community level are listed in table 6.2. Data on the children and family services that are available in a community (draft recommendation 3.1) will also form an important component of community-level data.

Table 6.2 **Examples of data publicly available at the community level**

Information	*Data items*	*Data source*
Size of the community	Estimated residential population	ABS General Community Profile
Number of children and families	Count of people aged 0 to 17 Count of families with children	ABS General Community Profile
Number of people per household	Average household size	ABS General Community Profile
Number of people per bedroom	Average number of persons per bedroom	ABS General Community Profile
Income of households	Median total household income ($ weekly)	ABS General Community Profile
Parents' education and occupational background	School index of community socio-educational advantage	Australian Curriculum, Assessment and Reporting Authority; My School
Parents' involvement with child's education	Proportion of children who have parent(s)/caregiver(s) who are actively engaged with the school in supporting their child's learning	Australian Early Development Census, Community profile[a]
Language and cognitive skills (school-based)	Proportion of children deemed on track, at risk and vulnerable	Australian Early Development Census, Community Profile[a]
Physical health and wellbeing development	Proportion of children deemed on track, at risk and vulnerable	Australian Early Development Census, Community profile[a]
Social and emotional development	Proportion of children with highly developed, well developed or emerging strengths	Australian Early Development Census, Multiple strength indicator community summary[a]
Attendance of children at school	Student attendance rate and proportion of students attending 90 per cent or more of the time	Australian Curriculum, Assessment and Reporting Authority; My School

a The Australian Early Development Census is not available for every community individually but is released for sufficiently small areas to be meaningful for communities.

Sources: ABS (2019b); ACARA (2019); AEDC (2018).

But community-level demographic and outcomes data does not always use the same definition of community and are published in various places by different departments and agencies, making them hard for potential users to access and interpret. The Commission's own experience in gathering government service data for the stocktake (chapter 2), the Yuendumu case study (appendix B), and study participants experiences confirmed that the current process of accessing data can be time consuming and difficult. For example, Empowered Communities – NPY Region said:

> Gaining access to accurate information regarding child and youth outcomes across the NPY [Ngaanyatjarra Pitjantjatjara Yankunytjatjara] region is very difficult (sub. 15, p. 16).

Other community-level data exists but is only publicly released at a regional level (table 6.3), which often means that the data is not sufficiently detailed to be useful or meaningful to a community.

Table 6.3 **Examples of key data publicly available at the regional level**

Information	*Data items*	*Data source*
Crime statistics	Domestic violence related assault Alcohol related assault House break-ins	Northern Territory Crime Statistics
Health statistics	Proportion of low, normal and high birthweight Aboriginal babies Proportion of Aboriginal children fully immunised Proportion of Aboriginal children aged between 6 months and 5 years as being anaemic	Northern Territory Aboriginal Health Key Performance Indicators Report
Children living in temporary dwellings	There are 9 homelessness operation groups including: persons living in improvised dwelling, persons staying temporarily with other households and persons in severely crowded housing.	Census TableBuilder Pro, ABS.
Socio-Economic Index	Index of relative Socio-Economic Advantage and Disadvantage Index of Education and Occupation Index of Economic Resources	Socio-Economic Indexes for Areas
Families can afford the average cost of a weekly food shop	Proportion of children living in households with an income above the cost of a food basket in that region.	ABS General Community Profile data combined with Northern Territory Market Basket Survey

Sources: ABS (*Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA); Australia*, 2016, Cat. no. 2033.0); ABS *(Census of Population and Housing, Australia, 2016, Cat. no. 2049.0); ABS* (Community Profiles, 2016); NT Department of Health (2018, 2019); NT Police, Fire and Emergency services (2019).

While some unpublished data relates to sensitive matters such as rates of child protection notifications and substantiations or the incidence of domestic violence, this data is of vital importance in assessing the wellbeing of children and families. Similarly, data about expenditure will need to be shared with communities with care, but is essential in building a common understanding of which changes might be possible within current budgets and which would require additional resources.

There appear to be fewer barriers to publishing other information that is not currently published at the community level, such as data on preschool enrolment and attendance. Indeed, there is considerable scope for the collection and release of data relating to children and families to be improved over time. This would ideally include data about each of the domains of child wellbeing (section 6.8) and could build on efforts that are already underway to assemble data in ways that are more meaningful for NT communities. In particular, the NT Government is soon to release its *Story of Our Children and Young People* report (box 6.3). While the Commission understands that many of the indicators that will be used in that report are currently only available at the regional level, they could provide a starting point for the types of data that could, with some additional effort, be collated at the community level and shared with communities.

Box 6.3 The *Story of Our Children and Young People* Report

As part of its response to the Royal Commission the NT Government, in partnership with Menzies School of Health Research, will publish a biennial *Story of Our Children and Young People* report. The report will provide a snapshot of the health, education and wellbeing of children in the Northern Territory across a number of multiple indicators. The NT Government said that:

> The Story will include baseline data on the status against key indicators of child 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 will be a publicly available document for the whole community – government, non-government, communities and families. The development of the report is overseen by an independent editorial board comprised of academic experts and community leaders. The report will be delivered in late 2019. (sub. 31, p. 12)

In the short term, the data that is available at the community level is likely to provide only a partial picture of the wellbeing of children and families, with a range of known gaps and deficiencies. But the overriding imperative of assembling community-level data is not to develop a perfectly comprehensive picture of children and families in each community, but rather to provide some baseline information to trigger discussion and to measure improvements in outcomes over time. Imperfect data can still be useful for initiating conversations about communities' needs and preferences, which can then be reflected in community plans, and the incompleteness of data should not prevent governments from commencing the process of engaging with communities.

It is important that each community's own knowledge and understandings of how well their children and families are tracking is also considered to be data about that community. Community knowledge can be captured in a range of ways, including through consultation, community meetings or a community survey. Some communities already have stores of information to draw on, such as the survey conducted in Alice Springs by Child Friendly Alice (chapter 4) or the reports of workshops on child protection and youth justice reforms conducted in NT towns and remote communities in 2018 (AMSANT 2018). And in 2019, young people in Katherine and Palmerston expressed their views on the key issues affecting them as part of the development of youth action plans (discussed below).

Communities' knowledge is particularly valuable in identifying and monitoring aspects of wellbeing that are hard to accurately quantify, such as the strength of child and parent relationships in the community. For example, in Broome, Western Australia, the Yawuru people worked with researchers to articulate their own conceptions of wellbeing founded on mabu liyan (the Yawuru concept of a good life).

> Connections to family and community, to the land, to culture and traditions, are all fundamental to how Yawuru feel about themselves, and their sense of a good life. Yet all too often, the sorts of indicators of social and economic development used to inform policy-making, or to evaluate policy or community initiatives, fail to represent such values in any meaningful way. (Yap and Yu 2016, p. 8)

Examples of indicators used to measure the wellbeing of Yawuru people include perceived strength of their family connection, the types of cultural knowledge acquired as a child, and whether people felt able to access country for practising traditional culture.

There will also be a place for regional-level data, especially where community-level data is not available, to support the regional representatives of both the Commonwealth and NT Governments in engaging with communities throughout the region.

To overcome the difficulties involved in assembling community-level data, a single government agency needs to be responsible for assembling the available data about each NT community. A number of agencies could be given this task (box 6.4).

Box 6.4 Who should collate data for the community plans?

A range of agencies could be tasked with collating, analysing and presenting data in formats that are easy for community members to access and understand. Several factors could inform the choice of responsible agency. Ideally the responsible agency would:

- have the authority to coordinate the gathering of data on outcomes and expenditures from multiple government departments across all levels of government
- have the capacity to assess the risks and benefits associated with data release (noting that not all relevant community-level data has previously been shared with communities)
- have a limited role in direct service provision to children and families (so as to be seen as an impartial intermediary)
- understand and support the Northern Territory's transition to local decision making, and the way in which this transition will transform the working relationship between Aboriginal communities and the NT Government.

This points to a central agency in the NT Government.

Given its role in leading local decision making and the *Story of Our Children and Young People* report, the Commission considers that on balance the NT Department of the Chief Minister is best placed to collate data relevant to children and family services in each community, and to provide the data to regional network staff of both governments.

Other government departments — from both the Commonwealth and NT Governments — would still have an important role to play in providing the data in a timely and appropriate format to the NT Department of the Chief Minister. In particular, data custodians would need to highlight any constraints on the data, for example collection size, quality issues or missing data, that may have impacted the data and therefore its analysis.

Putting the data to use in individual communities

Once the community-level data is collated, it will need to be shared and tested with each community. As noted above, there are a range of reasons why the available data may not provide a true picture of the wellbeing of children and families in a community.

Concerns about the completeness and accuracy of data can affect even the most basic information about the demographic characteristics of a community. For example, Danila Dilba Health Services said that:

> … census methodology is likely to significantly undercount the population in remote communities, partly driven by the time of year when the census is undertaken coinciding with the dry season in Top End and travel associated with community sports carnivals in the south. (sub. 22, p. 4)

There is also the potential for data about services to be misleading, especially where information about the provision of a particular service does not account for availability of substitute services. To give a simple example, one potential indicator of the accessibility of health services in remote communities is the proportion of Aboriginal and Torres Strait Islander children accessing child health checks funded through Medicare item 715 (which includes the Aboriginal and Torres Strait Islander child health assessment). However, child health checks for young children are also provided by maternal and child health services funded by the NT Government. So while a lower number of Medicare funded health checks could reflect poorer accessibility or use of preventive health services for children, it could also suggest that maternal and child health services are more readily available, and so reflect *better* accessibility or use of preventive health services. It is only by talking with communities about the on-the-ground realities behind data such as this that its true meaning can be made clear.

Providing communities with data is also a means of community empowerment. Across Australia, there are already examples of local initiatives that are using data and community input to improve the outcomes for children and families. For example, in Palmerston, the Grow Well Live Well initiative builds on data and community perspectives to address complex social issues. It has found that:

> … understanding what people think is important. However, combining perceptions with statistical data can be more powerful. (GWLW 2016b, p. 33)

Another example of where data collection and analysis has been a crucial component of successful initiatives to support children and young people is the Maranguka Justice Reinvestment project in Bourke (box 6.5).

Box 6.5 Using data in the Maranguka Justice Reinvestment project

Bourke is a remote town of around 2000 people, located 800 km north-west of Sydney on the Darling River. Approximately 35 per cent of the town is Aboriginal or Torres Strait Islander. Bourke has faced persistent socioeconomic disadvantage and high crime rates.

Community members began discussing ways of reducing crime and incarceration in 2007. In 2013, the Bourke community approached Just Reinvest NSW, and the Justice Reinvestment project was born. The project is based on a collective impact approach — which recognises that a single service is ineffective in addressing complex social issues, and instead that service providers across different sectors must work collaboratively.

The collection and use of detailed data is a vital element of the project. Just Reinvest NSW had many conversations with the community to determine what data was needed. The community wanted data across the life course of children and young people to understand where problems occur and why they might occur (for example, trajectories through the justice, health and education system and the events that led to entering the justice system). Collecting this life course data from government agencies was a difficult task, requiring negotiations with multiple government agencies. Getting it done in a timely manner required the support of people within government tasked with removing data blockages.

The data has been a powerful tool for change in the community. For example, the data showed many children were picked up by police at night — when none of the youth engagement services were operating. Through conversations with the youth engagement service providers, arrangements were changed to ensure that youth engagement services are available in the evenings.

Data is also used in tracking progress against a number of key indicators that were agreed by the community. Preliminary results have shown a positive change in many of these indicators.

Sources: ABS (2016 Census QuickStats, Bourke State Suburb, October 2017); Just Reinvest NSW (pers. comm., 26 August 2019); KPMG (2016, 2018); Smart (2017).

6.5 Step 2: Developing community plans

The second stage of the funding coordination process is for regional representatives of the Commonwealth and NT Governments to work with communities to develop community plans. The plans would allow community members to express their views about the strengths and needs of their children and families, what children and family services they would like to retain and those that should be changed.

Community voice is essential

The regional representatives of the Commonwealth and NT Governments will take the lead in working with communities in their region to develop community plans, and will be ultimately responsible for their delivery. But in doing so, the regional representatives should work with the community to develop a plan that is accepted by as many members of the

community as possible. Without broad community support, there will likely be less engagement by children and families in the services that are delivered.

There is much evidence that policy and program outcomes are better when the intended beneficiaries of services are directly involved in their design, implementation and monitoring. A lack of community engagement in decision making can result in inadequate, inappropriate or disjointed services being funded (chapter 5).

Study participants considered increasing community voice about children and family services, especially in remote Aboriginal communities, to be essential in designing services that are better tailored to communities and that are more likely to be used and hence be more effective.

> … children and young people are experts in their own lives, and their experiences and knowledge [are] critical to service design and delivery … children and young people not only have the right and capability to shape the decisions that affect their lives, but that their voice is essential for effective service delivery and the attainment of long-term development outcomes. (Save the Children Australia, sub. 30, p. 1)

> The provision of funding needs to include a lens and process to ensure that services go beyond Aboriginal controlled [organisations] and are controlled by Aboriginal communities — hearing all voices. In funding allocations and frameworks, the extent to which Aboriginal and non-Aboriginal services are community controlled needs to be assessed at all levels of the service leadership, management, delivery and evaluation. Governments and services need to create the conditions for all service providers to be inclusive of and led by all language, family and clan groups within a community. (Children's Ground, sub. 23, p. 10)

The concept of a community plan as a tool to increase community voice in government funding decisions is not new. Indeed, there have been many local and regional plans over the years, especially in Aboriginal and Torres Strait Islander communities. Examples include shared responsibility agreements with various remote Aboriginal and Torres Strait Islander communities in the early 2000s (HREOC 2005), the regional planning undertaken by the Aboriginal and Torres Strait Islander Commission's regional councils (ATSIC 2003), and local implementation plans (box 6.6).

More recently, groups in Katherine and Palmerston have developed youth action plans that set out a shared vision for improving the wellbeing of young people in those towns (Katherine Youth Interagency Group 2019; Palmerston Youth – Local Action Group 2019). The youth action plans have many of the features of the Commission's proposed community plans, including their strong local focus and community input. But there are also several key differences — most notably, the Commission's proposed community plans would be informed by more community-level data and would cover services for infants, younger children and their parents, as well as for youth. Nevertheless, the arrangements in place for developing youth action plans could be built on to develop community plans for all children and family services.

Box 6.6 Local implementation plans

In 2009, the National Partnership Agreement on Remote Service Delivery introduced a new remote service delivery model. As part of the model, local implementation plans (LIPs) were developed for 29 remote Aboriginal and Torres Strait Islander communities across Australia, of which 15 were in the Northern Territory. The LIPs were an agreement between the Australian, State or Territory and Local Governments and the people within the community. They outlined local priorities and the commitments of government to achieve those actions.

The effectiveness of the LIPs was mixed — while they were largely effective in identifying community priorities, they were less effective in generating change or increasing accountability. They were also overly complex, with almost 4000 actions initially identified across the 29 communities. Other lessons from the LIPs include that:

- there was pressure to finalise plans quickly (to address service issues) that may have affected community engagement
- the focus on tangible changes (such as new government infrastructure, and coordination and engagement mechanisms) may have come at the expense of less concrete aspirations such as improving governance or enhancing leadership capacity within communities
- the large number of actions in the LIPs involved a heavy reporting burden, which may have reduced focus on key priorities.

Many stakeholders also considered that responsiveness to community needs could have been improved by greater devolution of decision making to regional and local levels.

Several key features differentiate the community plans proposed by the Commission from previous regional and local plans. Instead of being developed at a single point in time or for a finite period, the proposed community plans will form part of an ongoing, repeated planning and coordination process. With their focus on children and family services, the plans will be shorter and more limited in scope than those that covered all aspects of government service provision. The smaller number of key priorities should make it easier for those priorities to gain traction and be achieved. The development of the plans will also be informed by more community-level data and led by regional network staff with greater authority.

Sources: Australian Government (2014); PC (2017b).

There may be variation in the capacity and willingness of community members to be involved in the community planning process, so it is important that government assists communities through this — but the process should also be open to different approaches.

> Increasing community voice is not a simple task and any expectation that Indigenous people should speak with one voice is unrealistic as well as unhelpful. Like other Australians, people living in remote communities often have strongly differing views about what is best, and this complicates engagement and service delivery. However, the impossibility of achieving consensus need not diminish the value of community voice. (PC 2017b, p. 276)

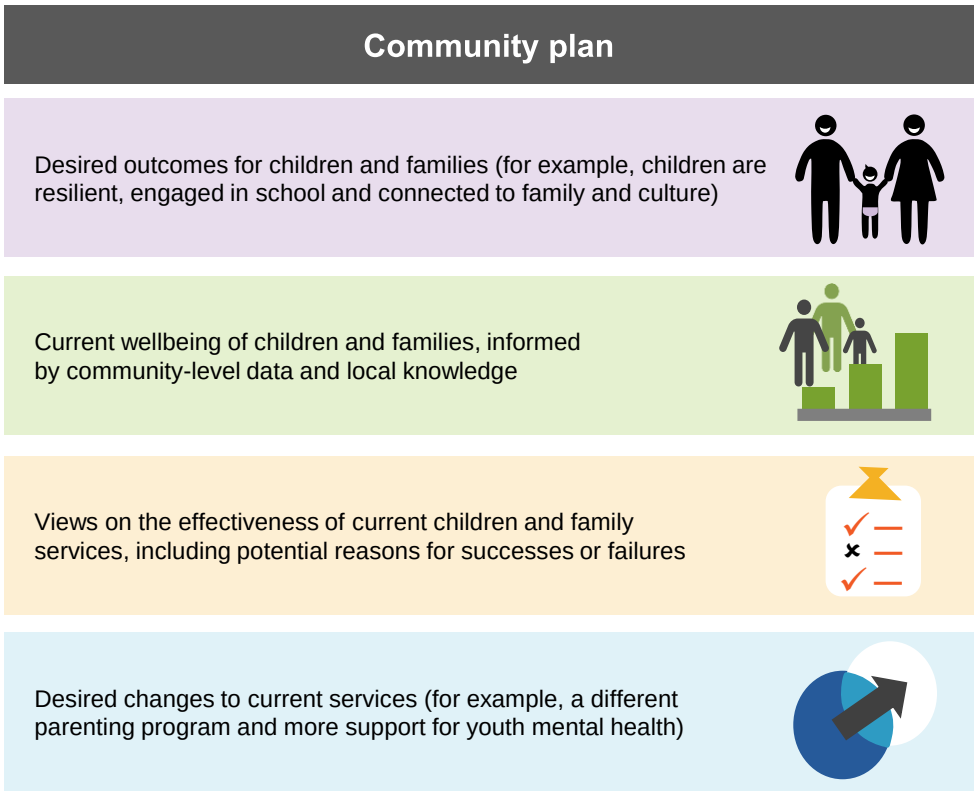
Over time, it is hoped that community members will take ownership of the process and that the role of the regional representatives will be reduced to providing communities with the data held by governments, and providing regional advice to the Tripartite Forum. This would be the first step towards local decision making and self-determination (chapter 1).

Unless specifically requested by the community, the regional representatives should avoid setting up new forums or reference groups to use for consultation about children and family services. And in many cases, there will already be an existing community organisation (such as a regional council or an Aboriginal Community Controlled Organisation) or a community group (such as a school board or Child and Family Centre reference group) that the community considers can represent their voice.

What should be included in the plans?

The community plans will be **relatively brief documents, of around 3 to 4 pages in length**. This should be sufficient to allow community members to express their views about the children and family services in their community. Ideally, each community's plan would: outline the community's desired outcomes for children and families; provide a snapshot of the wellbeing of children and families; express community views on current services; and suggest potential changes to services and supports (figure 6.4).

Figure 6.4 **Key features of community plans**



The first element of the community plan is for the community to identify what it wants the lives of children and families to be in the short, medium and long term. For example, a community's desired outcome might be for all children to be resilient, successfully engaged

in school and connected to family and culture. Ideally, these outcomes should be measurable, either qualitatively or quantitatively. Having measurable outcomes will allow progress to be tracked over time, and thus inform future funding decisions.

The second element of the community plan is for the community to review the community-level data (section 6.4) and service list (draft recommendation 3.2) to identify areas in which children and families are doing well, and potential areas of need that are not being adequately met. As noted above, the community will be able to provide guidance on whether the data accurately reflects the realities of their community and the reasons why the data shows what it does.

The third element of the community plan involves considering which services are operating effectively, and which have scope for improvement. This may involve requesting changes to the services being delivered (for example, requesting that the parenting support service be a mobile service that operates in different locations in the community rather than from a particular building). Or it may involve a change to the service provider that is delivering the service (for example, changing from a government service provider to an Aboriginal owned service provider). The advice could also provide insights into preferred service design and delivery methods for the community. This element could also involve community members highlighting the services they consider the most successful at achieving outcomes in their community, and the reasons underlying that success. For example, the community might consider a breakfast program at school run by local people as a key reason for improving children's school attendance because the program is delivered in an appropriate way that engages children.

Finally, the community would suggest potential changes to the mix of services and supports for children and families. These changes can build on existing strengths in the community — for example, a community with strong cultural ties might prioritise initiatives that help children to engage with their culture over behavioural interventions in schools. The aim would be to identify priority service areas that could then inform funding decisions. But this does not necessarily require the identification of specific services. It may be that communities identify priority areas (such as support for youth mental health) with the nature of the service/activity to be determined later, or developed as part of a relational contracting approach (chapter 7).

The comparison of existing and 'core' services (chapter 4) could provide an initial list of potential service gaps, and assist in identifying and prioritising any needs that are not currently being met. The regional representatives will play a key role in ensuring that there is an understanding that inclusion of a need or service gap in the community plan is not a funding commitment, but will help to guide distribution of any additional funds that may become available.

Which services should be in scope for the community plans?

In considering which services the community plans should cover — and how far the scope of children and family services should extend — the Commission encourages the adoption of a public health approach. This entails addressing underlying risk factors that increase the likelihood that a child will experience abuse or neglect, or where problems do occur, intervening as early as possible to address the root causes of the problem and minimise harm (PC 2019b).

To this end, the community plans should cover all children and family services, but could eventually be broadened to cover other community needs (such as housing or health services, as these are inextricably linked to the protection and wellbeing of children and families). It is not envisaged that the plans would be used to formally coordinate funding for these broader needs (at least not initially), given the separate funding mechanisms that already exist for these service areas. That said, including broader needs in the plans could provide an opportunity to inform these other areas of funding decisions and encourage governments to think more holistically about how they provide services, especially in remote areas.

A broad public health approach was overwhelmingly favoured by study participants.

> Public Health theory tells us that investment in prevention and early intervention is critical alongside tertiary investments. (Anglicare NT, sub. 8, p. 1)
>
> While there are programs that more directly target the reduction of harm against children, there are many programs that intersect within a public health and wellbeing model that are of overall importance … To overcome entrenched exclusion then there needs to be 'whole of' solutions, not single issue or reductive program service delivery. (CatholicCare NT, sub. 7, pp. 5, 13)
>
> Improvements in key determinant areas – including trauma and cultural disconnection, inadequate and overcrowded housing, disengagement from welfare, and alcohol misuse – are essential to improving outcomes for children and families in the NT. (AMSANT, sub. 20, p. 2)

Community members are best placed to assess the success or failure of the current services and the adequacy of the current mix of services in their community. A clear articulation of what services the community considers are working, what services need amending and what services need to change is a critical input into making better funding decisions.

The importance of working *with* communities was emphasised by many participants to this study as essential for reforming how services are provided — and, crucially, shifting the focus away from addressing perceived deficits with families and communities towards a more concerted effort to help them build on their own strengths. This will mean governments changing focus, towards facilitating and enabling communities to make more decisions themselves. It also means that governments will need to learn to step back and let communities try different approaches, while offering support when some of these fail.

Once the regional representatives of the Commonwealth and NT Governments have worked with communities to develop community plans, they would assemble all of the plans from the region and provide them to the Tripartite Forum. Both governments and the Tripartite

Forum would therefore receive six reports (the Northern Territory regions plus a greater Darwin report), each containing the community plans from a given region.

6.6 Step 3: Obtaining advice from the Tripartite Forum

The third step of the funding coordination process is for the Tripartite Forum to provide advice to the Commonwealth and NT Governments about funding arrangements for children and family services across the Northern Territory. This advisory role would align with the Tripartite Forum's existing role of providing advice to the Commonwealth and NT Governments to guide and support the implementation of the agreed reform agenda arising from the Royal Commission (chapter 4).

In order to provide informed advice to Ministers, the Tripartite Forum would draw on the community plans, any additional information provided by regional network staff and the experience and expertise of its members. Additional information provided by regional network staff could include commentary on the overall state of the region, any other information that explains the reasons underlying identified problems, as well as stories of local successes.

The Tripartite Forum's advice should focus on the distribution of expenditure and needs across the Northern Territory, as well as identifying opportunities for funds pooling for particular locations or services. Key features could include guidance on:

- *the overall distribution of funding between regions*. This could have regard to the needs identified in community plans and regional summaries, and to the core services that the Tripartite Forum considers should be available to children and families (chapter 4)
- *the distribution of funding between service categories*. For example, the Tripartite Forum might identify that services for children in the middle years are scarce when compared to the needs of those children, and in comparison to early childhood and youth services
- *what services or types of services show potential for improving outcomes for children and families*. This information could be drawn from the community plans, advice from the regional representatives and Tripartite Forum members' own experiences of service delivery. For example, the Tripartite Forum might highlight a parenting service that has integrated a weekly visit from a child health nurse as part of its regular program which has led to improvements in the early identification and treatment of health needs.

6.7 Step 4: Making funding decisions

The final stage of the funding coordination process is for Ministers to make decisions about funding arrangements for children and family services across the Northern Territory.

The relevant Ministers are ultimately responsible for funding decisions that are then carried out by their departments and agencies, which means agreement between Ministers is necessary to coordinate funding. Likely relevant Ministers are the:

- Commonwealth Minister for Indigenous Australians
- Commonwealth Minister for Social Services
- NT Minister for Families
- NT Minister for Children.

Treasurers and the NT Chief Minister may also have a role to play, either in coordinating their respective governments or as decision makers in certain cases.

The way in which Ministers reach agreement about funding arrangements for children and family services across the Northern Territory could take a number of forms. For example, Ministers might choose to meet face-to-face the first time they work through the funding coordination process, and then to liaise without meeting in person in subsequent years. Alternatively, they might choose to delegate the authority to departmental staff members to coordinate with other departments and make funding decisions.

Regardless of the way in which agreement about funding is reached, the important thing is that the Ministers publish the details of what they have agreed to fund. A statement of agreed funding could become a schedule to a joint funding framework (chapter 9).

Publishing details of the agreed funding would encourage accountability of the Ministers and funding providers to act in accordance with the agreement and not to fund services outside the agreement. It would also improve communities' ability to plan for service delivery and identify alternative funding sources if required, such as royalties or philanthropic funding, for services that are not being funded by the governments.

DRAFT RECOMMENDATION 6.1 **COMMUNITY PLANS AND COORDINATED FUNDING DECISIONS**

To deliver on their shared responsibility for funding children and family services in the Northern Territory, the Commonwealth and NT Governments need a new way of working together. This should include both governments genuinely engaging with NT communities, coming to a shared understanding of the issues affecting children and families, and jointly committing to solutions, with collective ownership and accountability for outcomes.

To put this new way of working into practice, the Commonwealth and NT Governments should establish a formal process to coordinate funding.

1. Both governments should collate community-level data on services, outcomes (risk and protective factors) and current expenditure on children and family services in each community.
2. The regional representatives of both governments should share the data with communities, and in collaboration with communities develop a short community plan that:
   - provides a snapshot of the strengths, needs and priority issues of children and families in the community
   - gives the community a voice about which children and family services they would like to retain, change or replace.

   The regional representatives should provide the community plans to the Children and Families Tripartite Forum, together with a summary of overall expenditure, headline data and any other relevant information for each region.
3. Drawing on the community plans and regional summaries, the Children and Families Tripartite Forum should provide advice to both governments about funding arrangements for children and family services across the Northern Territory, including advice about funds pooling for particular locations or services.
4. The relevant Ministers of both governments should consider the advice of the Children and Families Tripartite Forum and then agree on which children and family services each is going to fund and in which locations, and publish details of the agreed funding.

This process should be repeated as necessary, including when there are significant changes in government or community priorities, or when new funding becomes available.

INFORMATION REQUEST 6.1

Which locations or service types should be considered as priority candidates for funds pooling? How could funds pooling be best put into practice in these areas?

6.8 Supporting the coordination and community planning process

Putting the coordination process described in this chapter into practice will require changes on the part of all of those involved — from users of children and family services in small remote communities to senior staff in the head offices of government departments. It will depend on better collection and availability of data on risk and protective factors, the availability of different types of services, and outcomes for children and families at the community level. And it will also depend in large part on those who play key roles being equipped and empowered to fulfil them. This is particularly the case for the Tripartite Forum and regional representatives of the Commonwealth and NT Governments.

There will also be benefit in the Commonwealth and NT Governments coming to a formal agreement about coordinating funding for children and family services, and putting in place arrangements for external oversight of the progress of these reforms. These issues are considered in chapter 9.

Putting regional representatives at the centre of the process

The staff who work in the regional networks of the Commonwealth and NT Governments are underutilised as a source of information and advice for central decision makers. Their expertise and local knowledge is not always sought and is too frequently ignored in making funding decisions (chapter 4).

Regional network staff are well placed to facilitate the development of the community plans and to provide advice to the Tripartite Forum and governments to inform funding decisions about children and family services (sections 6.4 and 6.5). The Commission is recommending that regional network staff take on additional roles in:

- sharing the data that governments hold about each community in the region with that community, verifying with them that the data accurately represents the local situation, and incorporating the community's own knowledge
- working with each community to develop a community plan that outlines current services and future priorities for children and families
- assembling the community plans and providing them to the Tripartite Forum, together with any relevant contextual information and success stories from the region.

In order to effectively fulfil these roles, regional network staff will need to have:

- skills in community engagement, including an understanding of the cultures and the communities they are engaging with
- capacity in terms of the time and resources to work with communities
- autonomy to deliver impartial advice, including the authority to deal with issues as they arise.

Ensuring that appropriately skilled and experienced staff are employed by regional networks — and are remaining in those roles for long enough to develop and sustain the relationships that are essential to their effectiveness — may require additional investment from both governments.

Regional network staff are also well placed to work with service providers and communities in a relational contracting approach (chapter 7). The Commission's recommendations relating to an enhanced role for regional network staff — including their role in community planning — are made in chapter 7.

An enhanced role for the Tripartite Forum

The Tripartite Forum was established to provide advice to the Commonwealth and NT Governments to guide and support the implementation of the agreed reform agenda arising from the Royal Commission (chapter 4). The Commission is recommending that the Tripartite Forum also play a key role in advising the Commonwealth and NT Governments about coordinated funding arrangements for children and family services across the Northern Territory. This new advisory role would be ongoing, extending beyond the implementation of the current reform agenda.

To this end, the Tripartite Forum's terms of reference should be amended to give the Forum responsibility for providing advice on funding arrangements for children and family services across the Northern Territory. The terms of reference should make clear that, in formulating its advice to governments, the Tripartite Forum should draw on community plans, any additional information provided by regional network staff, and the experience and expertise of Forum members. The advice should focus on the distribution of expenditure and needs across the Northern Territory, as well as identifying opportunities for funds pooling for particular locations or services.

The expanded role for the Tripartite Forum would align well with, and in many ways mirror, the role played by the NT Aboriginal Health Forum (NTAHF) in relation to primary health care services (box 6.1). The NTAHF model was strongly supported by stakeholders, including CAAC (sub. 25, p. 12), NACCHO (sub. 21, p. 9) and AMSANT:

> Our experience from participating in the NTAHF demonstrates that positive outcomes in equitable needs-based service planning and system reforms result when members are able to engage in robust discussion and decision-making supported by appropriate evidence, rather than just sharing information. (sub. 20, p. 9)

In recommending that the Tripartite Forum play a greater role in advising the Commonwealth and NT Governments about funding arrangements for children and family services it will be important to manage any potential conflicts of interest, both real and perceived. The Forum already has policies about declaration of interests and management of conflicts of interest, which cover matters such as excluding a representative from discussion of agenda items where that person's interest represents a perceived or actual conflict

(NT Government 2018c). It will be important for the Tripartite Forum to consider the appropriateness of its existing conflict of interest policies in light of its expanded role.

Another important aspect of the success of the Tripartite Forum in fulfilling this new role will be its resourcing. Additional resources are likely to be required, especially if members of the Forum consider that it requires enhancements to, or different arrangements for, secretariat support. This was flagged by AMSANT, which said:

> We would also note our experience that having the Secretariat support for NTAHF sit outside of government has been beneficial for facilitating a more productive dynamic. (sub. 20, p. 9)

The Tripartite Forum already has the ability to establish working groups that contribute to achieving the Forum's purpose. The use of working groups may be beneficial in managing the increased workload, and in performing other related activities, such as disseminating information about local successes that could serve as examples for other communities in the Northern Territory.

DRAFT RECOMMENDATION 6.2 **AN EXPANDED ROLE FOR THE TRIPARTITE FORUM**

The Commonwealth and NT Governments should expand the terms of reference of the Children and Families Tripartite Forum to include providing advice on funding arrangements for children and family services across the Northern Territory, including advice about funds pooling for particular locations or services (as per draft recommendation 6.1). The Tripartite Forum should be adequately resourced in line with its expanded role and be able to manage any potential conflicts of interest.

Improving data over time

The data that is currently available is likely to provide only a partial picture of the wellbeing of children and families. There are a range of known gaps and deficiencies in the data, especially at the community level (section 6.4). Addressing these gaps and deficiencies will require ongoing work in two main areas.

First, more and better data needs to be collected and reported, not just about those things that are relatively easy to measure, but about all aspects of child wellbeing. Much work has already been done to define the domains of child wellbeing and to consider how they could be measured and reported on. For example, the Australian Research Alliance for Children and Youth has developed a framework for the wellbeing of children and youth. It outlines six outcome areas that must be present for a child or young person to achieve wellbeing. These outcome areas are that the child or young person:

1. is loved and safe
2. has material basics
3. is healthy

4. is learning
5. is participating (including involvement with peers and the community)
6. has a positive sense of identity and culture (ARACY 2018).

The Commission understands that the *Story of Our Children and Young People* report, which is soon to be released by the NT Government (box 6.3), will contain indicators across each of these domains at a regional level. This is a positive step towards providing better data on the wellbeing of NT children, and could provide a starting point for the types of data that could, with some additional effort, be collated and published at the community level.

But better data is still needed about many aspects of children's wellbeing, especially the prevalence of child harm. Unlike Canada, New Zealand, England, Wales and the United States, there is no prevalence study of child harm in Australia (or in the Northern Territory). This makes it difficult to estimate the number of children exposed to risk factors of harm and the incidence of child neglect and abuse. There are three main ways to estimate the level of child harm in a community, each of which is important in providing a robust estimate (box 6.7).

In the draft report of its mental health inquiry, the Commission found that better data is also needed on children's mental health. It recommended that the Australian Government fund the Australian Institute of Health and Welfare (AIHW) to complete the development and implementation of a national indicator of child social and emotional wellbeing, and that data on the indicator should be collected and reported annually.

Second, more of the data that is currently collected — or that will begin to be collected — need to be made available at the community level. Some progress is being made on this front. For example, the AIHW told the Commission that it:

> … is currently undertaking a range of projects to look at health and welfare outcomes of Aboriginal and Torres Strait Islander populations at lower levels of geography which will allow a focus on small population groups. (AIHW 2019c, p. 5)

But it remains the case that while a lot of administrative data on child protection, justice, health and education outcomes exists within numerous government departments, it is not being made publicly available at the community level. This may reflect sensitivities surrounding this data, such as its potential to cause embarrassment to a community or to government. And, as noted above, there may also be concerns about the potential for data to be misleading, especially where it provides only a partial picture of the services available (such as the partial data on child health checks discussed in section 6.4).

Box 6.7 Options for estimating the overall level of child harm

Estimating the overall level of child harm is useful in allocating funding between regions and communities, as well as tracking the impact of funding on the prevalence of harm over time. The three main methods to estimate harm each have strengths and weaknesses, which means to get a good estimate of the level of harm, more than one approach should be used.

Historical prevalence data

Historical prevalence data details the proportion of the population who experienced child harm when they were between the ages of 0 and 17 years (AIFS 2017). This historical information is useful as it reports on all cases of abuse during childhood, rather than just those cases that were reported to authorities.

However, historical prevalence data depends on individuals being willing to reflect on their past and disclose information about their experiences, which some people may not be willing to do (even in an anonymised survey). Further, as the information is about historical abuse, it does not reflect the current levels of abuse and cannot be used to track progress towards reducing harm.

The ABS currently undertakes a survey of Personal Safety to collect information on the historical rates and types of abuse experienced during childhood. However, the data is only available at a State and Territory level, and so cannot provide insight about the distribution of child harm across the Northern Territory.

Incidence data

Incidence data refers to the number of reported cases of harm to children over a given time period. Incidence data is typically recorded in a timely manner by child protection staff, and includes details such as the address of the child, the type of incident and by whom the harm was caused, all of which are useful in understanding child harm.

The major limitation of this method is that it likely understates the true incidence of child harm as it records only those cases reported to departments responsible for child protection (AIHW 2019a, p. 7). The best record of incidence data currently available is the Child Protection National Minimum Data Set, and this is only available at the State and Territory level. The data could however be analysed on a smaller geographical basis if it was made available by Territory Families.

Current prevalence of risk and protective factors

There are several risk factors (such as low birth weight and parental substance abuse) and protective factors (such as a child's attachment to parents, high level of parental education, knowledge of parenting and child development) that are correlated with child harm (chapter 1). Data is sometimes available on such factors. Examining the presence of risk and protective factors in a community can provide an estimate of current levels of risk, and thus where services may be needed to improve outcomes.

It is important to recognise that the presence of a single or multiple risk factors does not mean that a child is being harmed; similarly, the presence of protective factors does not mean that a child is safe from harm.

Despite these limitations, there is a strong case for releasing more community-level data on outcomes of children and families.

- Preventing harm and improving the wellbeing of children and families is a collective responsibility of governments, families and communities. Each of these groups should be equipped with the information necessary to understand the magnitude of the problem and how this is changing over time.
- Community-level monitoring and reporting on service outcomes for children and families would provide an understanding of whether government and community investment is collectively improving outcomes, allow for an evaluation of the service delivery system as a whole (QPC 2017a, p. 234), and provide a basis for evaluating the impact of new programs (chapter 8).
- Releasing community-level data can help to address long-standing concerns about data sovereignty, particularly on the part of Aboriginal communities, for whom it has been disempowering to have research undertaken about their community without research findings and information about outcomes being shared with the community.
- Releasing data, even if it has a range of gaps and deficiencies, is one way of spurring performance improvements over time. For example in health care, there is much evidence that publishing information about individual hospitals and clinicians leads to provider self-improvement (through benchmarking against their peers) (PC 2017b, p. 325).

DRAFT RECOMMENDATION 6.3 **BETTER DATA ON OUTCOMES FOR CHILDREN AND FAMILIES**

To provide a more complete picture of the wellbeing of children and families in the Northern Territory, the Commonwealth and NT Governments should improve their data so that it is:

- outcomes-focused — seeking to measure outcomes for children and families using available child-centred indicators across all the domains of child wellbeing
- collected, tracked and publicly reported at the community level wherever possible.

INFORMATION REQUEST 6.2

What are the sensitivities involved in releasing data at the community level on risk, protective and wellbeing factors of children and families (such as statistics on child protection, police, justice, health and education)? How could these sensitivities best be managed?

7 Funding and contracting

Key points

- There is significant scope to improve funding and contracting arrangements for children and family services in the Northern Territory, which would provide better outcomes. The current approach:
  - creates uncertainty for providers, due to short-term funding, and limited transparency and timeframes around funding opportunities and application processes. This limits providers' ability to effectively design and deliver programs, develop trust with users, and invest in workforce capability, including retention of skilled staff
  - of short-term contracting is a poor fit to address the complex issues that many children and family services are funded to provide
  - is output focused with restrictive conditions that limit the flexibility of providers to make decisions on how best to achieve outcomes for children and families over the longer term
  - can pose a barrier to collaboration between providers, and the entry of Aboriginal organisations that may be better placed to deliver services to Aboriginal communities.
- A fundamental shift in how children and family services are funded and contracted is needed — moving away from a short-term, transactional approach, towards a longer-term, outcomes-focused funding approach, where governments and providers work collaboratively to improve service delivery outcomes. This involves several key changes.
  - Setting default contract lengths of a minimum of seven years, and improved transparency and forward planning by governments of grant opportunities, which would afford service providers the stability of funding required to plan and invest for the future.
  - Funding the full cost of providing children and family services (taking into account the higher costs of service delivery in remote areas, capital investments needed to support effective service delivery, and the costs of monitoring and evaluating service delivery outcomes).
  - Adopting a relational approach to contracting, where government departments (through their regional network staff) and providers engage in regular, collaborative reviews of service outcomes and continuous improvement. Governments will need to ensure their regional networks have the skills, capacity and authority to undertake relational contracting.
  - Ensuring selection processes take into account the characteristics and capabilities of providers that contribute to achieving outcomes for children and families (such as cultural competence and connection to communities).
  - Ensuring that funding and contracting arrangements support partnerships with, and capacity building of, Aboriginal organisations, where such organisations are expected to deliver better outcomes for children and families over the long term. Where partnerships between Aboriginal and non-Aboriginal organisations are used, contracts should include a requirement for handover within defined timeframes, and appropriate resourcing and incentives for capacity building.

There is considerable scope to improve the way providers of children and family services are contracted and funded. Current approaches are impacting how effectively services are delivered and how government and community objectives are achieved. There is a disconnect between the approach governments take to funding children and family services and what is required by service providers to meet the often complex and long-term care needs of children and families.

This chapter outlines key issues with current funding approaches (section 7.2), namely:

- funding uncertainty created by short-term funding agreements and limited transparency and timeframes around funding opportunities and application processes
- output-focused and restrictive contract conditions, which limit the flexibility of service providers to make decisions about how best to achieve outcomes for children and families
- barriers to collaboration and the entry of smaller organisations created by the process used to select service providers, particularly where competitive processes are used.

These issues are not limited to children and family services, and have been identified by a number of reviews and inquiries, such as the Productivity Commission's report on Reforms to Human Services (PC 2017b) and the Royal Commission into the Protection and Detention of Children in the Northern Territory (RCPDCNT 2017, vol. 3B).

In light of these issues, the Productivity Commission recommends governments fundamentally shift how they commission and fund children and family services, transitioning away from short-term transactional and output-based funding, towards longer-term relational and outcomes-focused funding (section 7.3). This requires changes to the way governments approach contract design and management, as they work collaboratively with service providers and communities to ensure services are continually improved and adapted where necessary.

7.1 The existing funding landscape

In the Northern Territory, children and family services are mainly either contracted out to external service providers (through grants and procurement processes) or directly funded and delivered by government.

Grants dominate the funding landscape

Since the 1980s, governments have moved away from direct provision towards more competitive funding approaches to delivering human services. This has seen an increasing focus on 'contractualism', which separates purchasers from providers, and subjects providers to classical contracting and competitive tendering (Harper et al. 2015, p. 220).

As noted in chapter 2, about two-thirds of expenditure on children and family services is allocated through grant programs. Grant funding is particularly dominant amongst Commonwealth Government funders, which almost exclusively use this mechanism to fund children and family services. By contrast, the NT Government's expenditure mix is more varied, although funding through grants and procurement (box 7.1) still make up about 45 per cent of overall expenditure on children and family services — with agencies such as Territory Families also relying on internal expenditure, which covers the employee and operational costs required to provide children and family services (chapter 2).

Box 7.1 Procurement versus grants

There are two main mechanisms used by governments to fund non-government providers to deliver children and family services in the Northern Territory:

- grants — financial assistance offered largely to non-government organisations (NGOs), including Aboriginal Community Controlled Organisations, to fund and support them to deliver services. The objective of a grant is to achieve government policy outcomes, but also supports the NGOs own objectives.
- procurement — where a government agency acquires goods or services from an external provider for its own use, or use by another relevant entity or a third party. The tender for a service contract generally defines a specific activity or service that the agency would otherwise be required to deliver.

The diversity of funding approaches used by the NT Government reflects the range of children and family services that it provides. Procurement is predominantly used to commission some statutory child protection and youth justice services to ensure services comply with strict legislative responsibilities. By contrast, grant funding is used for services where outcomes are more complex, or where the provider needs additional support to deliver a service (such as capacity building).

That said, many of the issues associated with current funding approaches for children and family services apply regardless of the particular funding mechanism used (grant, procurement, or internal expenditure). And arguably, current funding approaches used in the Northern Territory do not always fit well with the range and nature of children and family services funded by governments. For example, services such as intensive family support and domestic violence services are not suited to inflexible, short-term grant funding approaches.

7.2 Issues with existing funding approaches

Current funding approaches create uncertainty

Stable funding helps service providers plan and invest for the future, as well as supports investment in effective long-term prevention and early intervention services. Funding uncertainty risks the viability of service providers, particularly in remote areas, and is

inconsistent with servicing the long-term development or care needs of children and their families, particularly those who have experienced or are vulnerable to experiencing harm.

The National Association for the Prevention of Child Abuse and Neglect pointed to funding instability as an issue for its respectful relationships education program, Love Bites:

> … which has been operating in the NT for over a decade and has been invested in numerous times by governments, however this funding has been intermittent. This inconsistency in funding conflicts with best practice which stresses that long-term commitment to prevention programming … is essential in order to achieve generational change. (sub. 19, p. 2)

In terms of delivering good outcomes, the approach to funding children and family services should take account of the fact that funding is being directed to solve complex social issues ('wicked problems'). As a result, funding mechanisms need to recognise: the time it takes to develop relationships; that services must be trauma informed and hence attract specialist staff who should also be culturally aware; and that solutions are often not known at the outset. There needs to be scope for learning by doing and adjusting over time.

Several factors contribute to funding uncertainty, including the use of short contract terms, and inadequate information and notice about funding application processes.

Short-term funding is common in commissioning children and family services

The majority of funding contracts for children and family services in the Northern Territory are relatively short term — with median lengths of between two years (for the National Indigenous Australians Agency (NIAA) and Territory Families) and four years (for the Department of Social Services (DSS)) (chapter 2). Short-term contracts can create significant levels of uncertainty for providers and users of children and family services, including:

- short staffing contracts that end at the conclusion of the funding contract (if the organisation does not have other sources of funding). This can lead to high staff turnover and staff shortages, and impede continuity of care for children and families with complex needs, including those arising from long-term and intergenerational disadvantage. The National Aboriginal Community Controlled Health Organisation, for example, stated that:

  > Currently … [Aboriginal Community Controlled Health Services] … are on 12-month funding extensions following on from three-year funding cycles. Even three-years funding is not enough to ensure our services achieve optimal outcomes, due to (amongst other things) short staffing contracts and high staff turnover, and inability to plan into the future — including via collaboration and partnerships with other local providers … [we welcome] … the Productivity Commission's 2017 recommendation for 10-year grant funding be given to Aboriginal and Torres Strait Islander services, and request this recommendation be put forward again. (sub. 21, p. 10)

- reduced capacity for investment in organisational and workforce development, which can affect the capacity of some Aboriginal and Torres Strait Islander workers to advance

to more senior levels through funded TAFE/tertiary courses and mentorship (AMSANT, sub. 20, p. 13)

- inability for long-term planning and collaboration, including in partnerships with other local providers, which works against the achievement of an integrated public-health approach (NTCOSS, sub. 18, p. 5)
- inhibiting the building of trust between service providers and their clients (Save the Children Australia, sub. 30, p. 2), which is essential to delivering services that deal with potentially vulnerable groups and those with complex needs, or to overcome trust deficits in communities that have faced significant levels of ineffective interventions.

Service providers building a strong reputation and trust within the community is important in encouraging community engagement in programs and collaboration across the spectrum of services that interact with children and families. The reliance on short-term contracts erodes the long-term commitments required to build these relationships within the community. This problem can be exacerbated by volatility in the political cycle, which can increase the risk of disinvestment when government (and policy priorities) change, an issue made worse where responsibilities between governments are not well-defined (CAAC 2016, p. 6).

In addition to causing uncertainty, short-term contracts require service providers to repeatedly apply for funding in order to secure service funding. This imposes administrative burdens on service providers, who are forced to shift human resources away from core service functions to play the 'funding game' (Moran, Porter and Curth-Bibb 2014, p. 11). The costs of reapplying for funding can create a significant strain on resources, which are difficult to recoup. The Northern Territory Council of Social Services argued that:

> There is a distinct power imbalance in this situation, where government departments have allocated funding to deliver contracts, whereas non-government organisations attempt to cover the cost of often onerous contract processes through administration fees. The administration fees that organisations build into funding submissions is often criticised, however small … [non-government organisations (NGOs)] … in particular need to recover these costs. The lack of capacity to negotiate and consult with stakeholders frequently results in NGOs accepting service agreements that steer projects away from grassroots imperatives and control. (sub. 18, p. 5)

The administrative burden is usually felt more acutely by smaller organisations that have less capacity to devote resources to these administrative processes. This in turn can impose burdens on government departments who have to re-assess applications when the funding period ends. Further, short-term contracting means organisations or departments will not have had the time to develop the evidence base to make an informed decision on whether to continue funding or to change direction (chapters 5 and 8).

Insufficient timeframes and information around funding opportunities

Inadequate timing and lack of transparency of funding opportunities do not support service providers in their efforts to design and invest in tailored and integrated services that contribute to improving child wellbeing. Two issues in particular have been raised by service

providers — first, that funding application timeframes are either not scheduled with sufficient notice or are too short. This means that providers are not given adequate time to make decisions about resources, particularly around staffing, or design program proposals that effectively meet the needs of a community. The second issue is around a lack of information from governments to help organisations in making suitable applications.

Prior notice of funding opportunities, in conjunction with sufficient timeframes to submit an application when an opportunity is advertised, allows service providers to design and propose effective place-appropriate services. Prior notice can allow a provider to ensure that it can achieve economies of scale in a community (box 7.2).

Conversely, short application timeframes can disadvantage local, smaller organisations that have strong ties to communities but that may have less capacity to quickly develop a competitive application. They may also prevent larger mainstream providers from adequately consulting with the community and identifying an appropriate local delivery partner. These issues of insufficient timeframes are particularly crucial for funding of service delivery in remote locations which may require significant levels of investment.

Based on a selection of key funding rounds for existing children and family services, application timeframes appear relatively short. For example:

- procurement by Territory Families in November 2015 for its Intensive Family Preservation Services gave service providers eight weeks to submit an application, a period which included the Christmas/New Year period, when organisational resources can be constrained (DCF 2016a, p. 1). Applications for its Darwin Community Youth Diversion grants program, which offers applicants up to $450 000 in funding, was open in October 2019 for a little over four weeks (NT Government 2019a). Current NT Government procurement rules specify that applications for tender opportunities should be open for between two business days to four weeks, depending on the size of the contract, and whether the tender opportunity had been publicly scheduled (NT Department of Trade, Business and Innovation 2019b, p. 18)

- the initial funding round of NIAA's Indigenous Advancement Strategy (IAS) program in 2014 gave providers just over five weeks to apply for funding (ANAO 2017, p. 16) (with associated funding materials published on the NIAA website a month prior to the application round opening (PM&C 2015b, p. 72)). Existing providers were given general information on the funding round five months prior to the opening of applications. However this information appears limited — for example, it did not include specific program details or a finalised approach to how applications would be assessed, which was only finalised after applications were advertised (ANAO 2017, p. 30)
- DSS' Children and Parenting Support services competitive grant round in 2014 was open for five weeks. And its restricted selection grant rounds in 2014 and 2015 for Intensive Family Support Services in Ngukurr, Santa Teresa and Ntaria were open for four weeks. In 2016, another restricted grant round for Intensive Family Support Services in Lajamanu was open for eight weeks, which included the new year period (DSS 2019a).

Partly, short timeframes are attributable to a lack of transparency in the policy decision-making and implementation process, which can result in ad hoc decisions about when funding rounds are open to service providers, and how long applications are open.

Box 7.2 Building service scale in remote areas

Given the high costs of setting up and operating in a remote location, organisations need certainty in funding to ensure they are able to provide a stable presence within the community. Insufficient transparency and ad hoc funding processes do not allow for this. For example, different services being funded at different times (with little notice or time to prepare an application) within the same community could mean that no single service provider has the ability to generate sufficient scale to remain in the community full-time. This can lead to the use of temporary 'fly-in fly-out' services to fill gaps, which can be antithetical to the needs of a place-based and public health approach.

Providing long-term funding when a program is showing signs of success reduces the disruptions and uncertainty caused by a lack of program continuity. This offers service providers the confidence to build scale knowing that extra funding will be available if their programs demonstrate success. As noted by Save the Children Australia:

> Funding pilot or innovative programs is vital to improving practice and identifying successful models of support in communities. However, this should be matched by clear pathways for expansion and ongoing funding where evidence/evaluation indicates that the program is having positive impacts. Where pilots or small-scale trials are driven by government, funders should include conditional opportunities for expansion and/or continuation should impacts be demonstrated. This provides community and staff continuity and trust and ensures that resources required to bring small projects to scale can be accessed. (sub. 30, p. 3)

It should be noted that the benefits accrued from allowing providers to expand the scale of their operations will not come at the expense of limiting competition between providers. Rather, scaling allows providers to achieve the required critical mass to ensure the viability of service provision — a reality commonly faced by providers operating in remote regions. Indeed, by making service provision a viable enterprise within communities, increasing the certainty and transparency around funding rounds can be a way of encouraging competition. Bidders facing a less uncertain funding process would be more willing to bid for less, or offer better quality services, if they are certain of being able to achieve scale.

This is not to say that achieving scale is viable in all communities and across all programs. The reality is that in remote Northern Territory, not all services can be delivered everywhere. It may be that the most efficient option is to provide services across several communities, through a fly-in fly-out, drive-in drive-out, or 'hub and spoke' basis.

There is also minimal transparency between government agencies and service providers on how funding decisions are made. In short, the 'rules of the funding game' for grant and procurement opportunities on offer appear to be opaque. This can breed distrust and suspicion, which can be corrosive to confidence in the system.

The Central Australian Aboriginal Congress provided a first-hand account of how inadequate information sharing can affect the operations of providers.

> In 2016, as a result of a poorly run tender process, the NT Government stopped funding Congress' … [Targeted Family Support Services] … program. The NT Government did not disclose the

> maximum efficient funding allocation for the grant applications which had been determined by a private consultancy which has never been made public. Congress' estimated costs were well over the undisclosed maximum allocation per family and the application was immediately culled and not reviewed. There was no opportunity to argue that a service model without qualified social workers working in partnership with Aboriginal Family Support Workers would not achieve significant outcomes even though a service model with only certificate 4 level workers is much cheaper. (2019, p. 4)

The lack of transparency can be exacerbated by inadequate consultation with service providers as part of designing funding processes. For example, the Australian National Audit Office (ANAO) reported that during the initial IAS funding round, a lack of consultation on application requirements and processes meant that:

> Of the 108 applicants that provided feedback to the ANAO … 44 per cent (47 applicants) rated the difficulty of the application process as high, and 18.4 per cent (21 applicants) as medium. (ANAO 2017, p. 40)

Service providers have also noted that governments do not always provide sufficient notice of funding renewals. The Commission received multiple submissions which raised concerns about whether current funding levels from the IAS will be continued for the Katherine Isolated Children's Service (KICS), a remote, mobile playgroup and parent information service for children and families who are socially and geographically isolated. Funding for this service is due to expire in December 2019 (Kathy Dyer, sub. 2; KICS, sub. 3; Lauren Hoar, sub. 5; Monique Marzocchi, sub. 1; NTICPA, sub. 13; Royelene Hill, sub. 10).

The North Australian Aboriginal Justice Agency (NAAJA) also noted that the process for renewing funding for their Night Patrol program, which was set to expire on 30 June 2019, created significant uncertainty. NAAJA was unable to get timely information on the process and timeframes for renewal, and funding was only confirmed in May 2019, which left them with only 8 weeks to inform staff (NAAJA, pers. comm., 19 September 2019).

For existing services, insufficient notice of funding renewals means an organisation is unable to plan their future resourcing and investment needs, and builds uncertainty about the viability of services towards the end of the contract term. According to Anglicare NT:

> … organisations are often impacted by entering new financial years with high percentages of funding not finalized or contracted. As a mid-sized organization there is some capacity to sustain during such times however impacts can be felt in uncertainty of staff and thin contracts perpetuates high turnover that impacts on service quality. (sub. 8, p. 3)

In 2017, Children's Ground reported that its government funding for the year:

> … was unexpectedly halved … as a result of agreements coming to an end and extended delays in negotiating and finalizing a new contract. Consequently, no Federal Government income was received or due to be received with respect to the second half of the year. Government funding has now been confirmed to renew in the first quarter of 2018. … During this reporting period, Children's Ground restructured its operations to work towards aligning annual costs to annual income, without disrupting services to the vulnerable communities. (Saward Dawson Chartered Accountants 2018, p. 14)

Concerns about uncertainty in funding renewals were shared by others, particularly as it relates to staff planning and the certainty of staffing contracts, where 'good staff leave organisations because of the uncertainty around contract negotiations … [and particularly as some discussions on contract renewals/extensions/cancellation] … are held too late' (The Smith Family, sub. 4, p. 8). Staffing issues are particularly pertinent in servicing remote parts of the Northern Territory, where local labour markets are thin and it is difficult to attract skilled workers (NT Government 2019e, p. 11).

Restrictive funding conditions

Funding contracts for children and family services in the Northern Territory generally focus on specific activities, rather than on service outcomes, which restricts providers from making decisions on the best way to achieve intended service outcomes. Children's Ground, for example, noted service providers are forced to bid for:

> … siloed programs that allow them to deliver only specific and discrete outputs, rather than long or even short-term outcomes … [and too often in this environment] … organisations are adjusting to fit government priorities for financial survival rather than community priorities and outcomes. (sub. 23, p. 19)

Governments typically impose conditions to reduce the risks of misallocating public funds (box 7.3). However, if conditions become too restrictive, they can impact how service providers can respond to the needs of the community, and ultimately on service effectiveness. For example, KICS was required to employ two part time Indigenous employees, to meet Indigenous employment targets under the IAS. KICS noted however that they have struggled to meet this requirement without disrupting their service.

> … the contract failed to include funds for the employment of the new positions … KICS already had four full time employees in the Field Team positions and is lucky and thankful to have retained those staff. … The Playgroup Leader must have Early Childhood qualifications or experience and the Playgroup Support Worker must have off road driving and mechanical experience. … [As such, KICS have only managed to employ] … two young Indigenous employees on a casual basis to help facilitate the Playgroup in the Park events in Katherine funded through the NT School Holiday Program. (sub. 3, p. 3)

Box 7.3 Potential risks of contracting service delivery

In commissioning external service providers to support the delivery of government objectives, the government is exposed to a number of risks that it will seek to mitigate through contract management. The Commonwealth Grants Rules and Guidelines identify three broad categories of risks involved in commissioning services through grants:

- grant program or grant opportunity risk — the risk relating to the planning, development and implementation of the grants (such as ineffective program design/delivery, failure to meet community expectations/needs, duplication or service gaps)
- grantee risk — the risk related to the grantee's industry or sector, and the relationship between the entity and the grantee (such as misappropriation of funds, service provider failure)
- grant activity risk — the risk involving the specific activities to be carried out under the grant (such as project failure).

Source: Department of Finance (2017, p. 18).

Although there is some flexibility for service providers to revise funded outputs within a service agreement, the process for getting approvals can be cumbersome, and not fit for meeting immediate service requirements. Variations in funding agreements that require changes in funding typically require approval at the Ministerial level (although this varies from program to program). In such cases, it may be easier for service providers to ask forgiveness than it is to get permission from contract managers, which puts those providers at risk of damaging their reputation and losing future contract opportunities.

Restrictive contracting arrangements can also apply under a prime provider funding model, which is where a government contract is awarded to a lead organisation that is responsible for organising and managing a group of subcontractors/providers (O'Flynn et al. 2014, p. 6). For example, the experience with the Communities for Children (CfC) program implemented by DSS, is that facilitating partners continue to contract service providers using short (sometimes one year) and inflexible funding arrangements. A review of the CfC program found that stakeholders were concerned about:

> … a limited and inflexible selection of programs currently listed in the Guidebook … [of approved evidence-based programs] … that do not reflect community needs and the risk that Guidebook programs are being selected from the list without full consideration of whether the program meets the community's needs… (ACIL Allen Consulting 2016, p. 13)

Funding full service costs

The short-term nature of, and focus on funding of outputs mean that a number of key service costs may get overlooked by existing children and family service agreements, namely:

- higher costs of delivering services in remote areas
- capital and infrastructure costs, such as vehicles and housing for program staff
- governance and capacity building

- monitoring and evaluation.

The first two cost categories are particularly important to support viable and effective service delivery in some remote communities. For example, KICS claimed that their current service funder has rejected a number of applications to fund a vehicle purchase as it is 'not classified as an activity' (sub. 3, p. 2).

Critical infrastructure, especially staff housing, is a common cost that service providers in remote areas find difficult to cover under existing arrangements. Without it, they are often unable to attract and retain staff, and therefore unable to provide the service for which they have received funding. For example, in the Utopia region:

> … [while there was] … funding for sport and recreation activities as well as an Outside School Hours Care program … delivery of these programs was sporadic and hindered by a lack of staff housing or a suitable space on which to conduct programs … [only when Central Australian Youth Link Up Service] … completed construction of staff housing and the upgrade of a program space … [in 2013] … the Barkly Regional Council was able to commence delivery of a regular program. (CAYLUS and Nous Group 2017, p. 14)

One reason why capital costs are not covered in children and family service contracts is the restrictions key Commonwealth service funders place on what they will fund under their respective children and family programs (box 7.4). However, even if certain investments are not specifically excluded from funding under program guidelines, the short length of contracts means that governments would unlikely fund longer-term service functions and costs, such as infrastructure and capital items, governance and capability building (discussed later), and monitoring and evaluation for continuous service improvement (chapter 8).

The presumption of the funding guidelines is that rental markets exist for vehicles and infrastructure, obviating the need for purchases in a short-term contract (box 7.4). But this is clearly not the case in some remote communities, where no appropriate buildings exist. The Royal Commission into the Protection and Detention of Children in the Northern Territory, for example noted, in relation to its proposal for new Child and Family Centres, that in some locations there may be no suitable centre or infrastructure and the centre may need to be established and built from the ground up (RCPDCNT 2017, vol. 3B, p. 260). Similarly, given the potential damage to vehicles from remote travel, suitable rental markets may not exist. One option would be for the service funder to purchase the capital asset and lease it to a service provider.

Another reason why restrictions may be put in place is limited available funding and a desire of governments to fund a wide range of services across jurisdictions. The ANAO for example found that for the initial IAS grant round in 2014, the Department of the Prime Minister and Cabinet (PM&C) recommended the Minister for Indigenous Affairs approve significantly less funding than requested for approximately 80 per cent of projects. And 85 projects (6.6 per cent of those recommended for funding by the Minister) were recommended for funding of five per cent or less of the amount requested by service providers (ANAO 2017, p. 44). The ANAO noted 'the changes to funding amounts are likely to have altered the nature of the project and the deliverables the applicant could achieve, and potentially affected

the financial viability of the project' (ANAO 2017, p. 44). Despite this, there was limited information on the rationale for the refusal to grant complete funding.

Box 7.4 Restrictions on the use of grant funds

Under the Indigenous Advancement Strategy Guidelines, the Commonwealth will only provide funding for infrastructure when the following conditions are met:

- there is a clear understanding of who owns the asset and who will be responsible for ongoing repairs, maintenance, and other costs
- secure land tenure is in place
- any associated costs including but not limited to rates, insurance, or connection to essential services (such as power, water and sewerage) have been considered and factored into the budget and project timeframes (the Commonwealth will generally not provide funding for ongoing service costs)
- the construction complies with all relevant Commonwealth and State/Territory legislation (NIAA 2019b, p. 49).

Out-of-scope activities include infrastructure that is generally the responsibility of other Commonwealth Government departments, State, Territory or Local Governments or other relevant entities, such as: major roads and bridges, telecommunications infrastructure, and the construction and management of social housing built under the National Partnership Agreement on Remote Indigenous Housing. That being said, one of the five Indigenous Advancement Strategy program streams is devoted to Remote Australia Strategies, which supports placed-based initiatives and infrastructure development in remote communities, providing $290 million over five years (2014-15 to 2018-19) (NIAA 2019c).

Under DSS' Families and Communities Program Guidelines, funding does not cover:

- the purchase of land
- retrospective costs
- costs incurred in the preparation of a grant application or related documentation
- major construction/capital works
- overseas travel
- activities for which other Commonwealth, State, Territory or Local Government bodies have primary responsibility (DSS 2017, p. 16).

Although it may seem efficient for governments not to fund the quoted cost of service delivery, by forcing down costs, it is important for these financial savings to be fully weighed against their economic costs and benefits. Otherwise governments could lose in terms of:

- limited service effectiveness — partly funding a service means communities may not get the full benefit of the service. Alternatively, service providers may be required to overutilise their physical and human capital, which will impact maintenance costs and staff turnover, and further impact the quality of service delivery
- exiting of service providers from the market — without adequate funding, providers may be unable to continue to provide services. Governments may then face additional costs

of recontracting the service with other providers, or resorting to delivering services themselves.

Funding which does not cover the holistic cost of service provision can have inequitable effects across the Northern Territory, as remote regions with higher service delivery costs are more disadvantaged. As Kathy Bannister (a team leader for a Communities for Children Facilitating Partner) noted, her organisation gets:

> … significantly more services in Palmerston for $400 000 than we do in the Tiwi Islands for the same price. … in Palmerston we get the equivalent of 316 [Communities for Children] activity sessions … over the course of a year while in Tiwi for close to the same cost we get 72 activities … This roughly means we can provide 3 times more access and activities in Palmerston for approximately the same cost. The difference is due primarily to the additional on-costs of flying in coordinators or qualified staff and to pay wages to local Tiwi co-facilitators to work alongside them and also be involved in delivering the activity to help to make it culturally appropriate. (sub. 29, p. 9)

Funding shortfalls can also mean that organisations are forced to cobble together funding from different sources to meet full service costs. This in turn increases the cost of managing several contracts, which is more burdensome for smaller service providers that lack the resources and capacity to devote to administration.

CatholicCare NT for example, noted that:

> … the burden of managing multiple sources of funding is a serious consideration that needs to be acknowledged. Contract management has become a job in and of itself and reflects a significant increase in administration both in terms of the overall amount and the required higher-level nature of these responsibilities. (sub. 7, p. 10)

An example of where multiple grants have been used to fund one provider for the same service type is NAAJA, which received funding in 2018-19 from 11 different grants from the same department (totalling $6.5 million) (chapter 2).

Competitive funding processes are not suited to all situations

The pool of service providers who apply for and receive contracts to deliver children and family services is influenced by the selection process used. The use of competitive funding processes is aimed at maximising the potential benefits of having a large pool of applicants, which can help to ensure the most efficient and effective organisations are funded. That is, competition helps test the market to help select the best quality service, while achieving value for money in public funding.

DRAFT FINDING 7.1

Current grant funding approaches used for children and family services in the Northern Territory do not facilitate a focus on long-term outcomes and create funding uncertainty for service providers.

Grant funding for children and family services is characterised by:

- short-term funding periods
- insufficient timeframes and information about funding opportunities and renewal or cessation of grants
- insufficient funding for capital expenses required for service delivery, for capacity building, and for monitoring and evaluation.

The result is gaps in staffing and capital for service providers, and substantial time devoted to grant applications. This adversely affects the quality of services, particularly where funding gaps mean providers have to cobble together funding from various sources and manage multiple grants.

However, competitive funding for children and family services makes assumptions about the benefits accruing to governments from value for money improvements, risk transfer, and increased transparency that may not always apply (O'Flynn and Sturgess 2019, p. 13). The benefits of competition can be limited in service markets where only a few service providers are viable (where markets are 'thin').

Several issues have been raised about the appropriateness of competitive methods used to engage service providers to deliver children and family services. This is particularly the case for funding opportunities to service remote and Aboriginal communities in the Northern Territory, and where 'value for money' is difficult to define.

The main concern raised is that competitive funding processes disadvantage smaller, Aboriginal Community Controlled Organisations (ACCOs) (AMSANT, sub. 20. p. 14; CAAC, sub. 25, p. 8; NTCOSS, sub. 18, p. 5). Larger organisations have more resources and capacity to write competitive applications, and can use their economies of scale to tender for large or multiple projects. On paper, they can offer a lower-price option but they may not be as effective as community-based Aboriginal organisations at engaging with, and providing services to, children and families in Aboriginal communities. For example CAAC noted:

> … strong circumstantial evidence, supported by the on-ground experience of many health professionals and Aboriginal people, that open competitive tendering contributed to a more fragmented and ineffective service system that lacks Aboriginal input and leadership. It has facilitated the entry of numerous non-Aboriginal NGOs that do not have strong links with the community or other local service providers, have little history of successful service delivery in the challenging cross-cultural / infrastructure-poor environments of the Northern Territory, and do not have the long-term commitment required for sustainable and effective service provision. (sub. 25, p. 8)

Several participants to this study emphasised that, compared with mainstream providers, ACCOs are able to provide greater benefits, in terms of improved access and culturally appropriate services (particularly health services) (AMSANT, sub. 20, p. 12; CAAC, sub. 25, p. 13; NAAJA, sub. 28, p. 15; NACCHO, sub. 21, p. 3) (box 7.5).

One reason why such benefits may be overlooked is because they are difficult to quantify relative to the financial costs of service provision. The benefits of cultural capability, trust, and community knowledge are not easy to assess in a narrow 'value for money' sense, and thus may be given less weight than price in assessing funding applications. This can mean that contracts are awarded to providers who can deliver outputs at least cost, even though another (higher cost) provider may be more capable of delivering better longer-term outcomes.

The use of competitive processes in the funding of children and family services can also reduce co-operation between service providers, as providers compete for the same 'pot' of funds, and potentially also to serve the same target population. This process can induce fragmentation of service provision, and diminish outcomes for children and families. This issue was identified in the Report of the Board of Inquiry into the Child Protection System in the Northern Territory:

> … competitive tendering has led to a situation where services may be competing for clients rather than coordinating their activities and providing holistic support for families that is driven by family needs and goals. (2010, p. 220)

Commonwealth and NT Government funding guidelines note that price should not be the sole factor when assessing value for money. However, they also state that value for money is best achieved through competitive, merit-based selection processes. These guidelines do not prevent alternative engagement approaches from being followed, but applying non-price competitive processes can present additional risks to public officials, without the support in guidelines or policy to allow for greater risk-taking in contracting (box 7.6).

Funding agencies at the Commonwealth and Northern Territory level have responded to concerns by moving away from open and competitive rounds, as well as better supporting the applications of Aboriginal organisations. For example, the Commonwealth Government commenced a trial of its Indigenous Grants Policy on 1 July 2018.

> The [Indigenous Grants Policy] is underpinned by six principles that aim to improve access for Indigenous Australians to the significant expenditure on grants, including increasing the involvement of Indigenous people in the design and delivery of programs that affect them, and improving on-the-ground service delivery. The [Indigenous Grants Policy] trial involves three departments: the Department of the Prime Minister and Cabinet, the Department of Social Services and the Department of Communications and the Arts. (DSS, sub. 26, p. 8)

Box 7.5 Advantages of Aboriginal organisations

In circumstances where cultural understanding and local knowledge are key to delivering services, Aboriginal Community Controlled Health Services (ACCHS) can help achieve better health outcomes for Aboriginal people, relative to non-Aboriginal providers.

A number of studies have shown that ACCHS provide better access to Aboriginal populations, and show improved performance on a variety of care indicators (Panaretto et al. 2014, p. 649). For example:

- a randomised controlled trial of the use of an electronic decision-support system around Australia, which measures absolute cardiovascular risk, shows that ACCHS sites had significantly more patients at high risk being prescribed best-practice medications than the general practice sites (Panaretto et al. 2014, p. 650)
- Panaretto et al. also found that for maternal and child health, 'sustained access to a community-based, integrated, shared antenatal service has improved perinatal outcomes among Indigenous women in Townsville' (2007, p. 18)
- ACCHS have also been shown to improve Aboriginal and Torres Strait Islander access to services such as cervical cancer screening, cardiac and respiratory rehabilitation programs, mental health, eye health, oral health, and sexual health for Aboriginal and Torres Strait Islander communities (Campbell et al. 2018, p. 220).

Ware argued that cultural expertise and local knowledge of ACCHS are key to increasing access and utilisation rates.

> By providing the equivalent of a 'one stop shop' or drawing on established referral networks to the services they do not provide, ACCHS improve their clients' access to services that are appropriate to their complex needs. Therefore, ACCHS play a crucial role in providing 'comprehensive primary health care' that can otherwise be beyond reach (2013, p. 6).

ACCHS also have the advantage of proximity to Aboriginal communities and their culture. A meta-analysis of evaluations regarding the contribution of ACCHS to improving Aboriginal health services found that:

> ACCHS contribute to improving the health and well-being of Aboriginal peoples through several pathways, including community controlled governance, providing employment and training, strengthening the broader health system and providing accessible, comprehensive primary health care. (Campbell et al. 2018, p. 218)

The potential benefits of the cultural expertise provided by Aboriginal organisations may not be limited to health services. The recognition that Aboriginal wellbeing encompasses social, spiritual, cultural and community elements may mean Aboriginal organisations are more suitable to deliver (or control delivery of) services to Aboriginal people (Behrendt, Jorgensen and Vivian 2017, pp. 33–34; Osborne, Baum and Brown 2013, p. 2). According to the Secretariat of National Aboriginal and Islander Child Care:

> Local Aboriginal and Torres Strait Islander community controlled organisations are rooted in their communities, cultures and country. As such, they play a significant role in supporting families and communities to raise children strong in culture. Large national or state-wide non-Indigenous child and family services cannot provide the appropriate support and cultural education to assist Aboriginal and Torres Strait Islander children to reconnect and stay connected with their culture, their mob and their family in ways that uphold the integrity of the child's particular culture or community. (2012, p. 9)

Box 7.6 Interpreting value for money criteria

Value for money is a core principle in both Commonwealth and NT Government funding processes (Department of Finance 2017, p. 29; NT Department of Trade, Business and Innovation 2019a, p. 6; NT Government 2019d, p. 4). According to the Commonwealth Grant Rules and Guidelines, value for money is based on a:

> … careful comparison of the costs and benefits of feasible options in all phases of grants administration, particularly when planning and designing grant opportunities and when selecting grantees. (Department of Finance 2017, p. 29)

Government guidelines in both relevant jurisdictions also emphasise that price should not be the sole factor when assessing value for money, and officials should consider both financial and non-financial aspects to the application. For example, the Commonwealth procurement rules suggest this could include:

- the quality of the goods and services
- fitness for purpose of the proposal
- the potential supplier's relevant experience and performance history
- flexibility of the proposal (including innovation and adaptability over the lifecycle of the procurement)
- environmental sustainability of the proposed goods and services (such as energy efficiency, environmental impact and use of recycled products)
- whole-of-life costs (Department of Finance 2019, pp. 11–12).

However, guidance is limited on how officials should assess value for money in funding applications, with the exception of guidelines stating that value for money is best achieved through competitive, merit-based selection processes. According to the Commonwealth Grant Rules and Guidelines, competitive processes are required to allocate grants unless otherwise agreed to by a Minister, accountable authority or delegate (Department of Finance 2017, p. 31). Similarly, 'open and effective competition' is one of the NT Government's key procurement principles to provide value for the Territory (NT Department of Trade, Business and Innovation 2019a, p. 6).

Overall, it is unclear how value for money is to be achieved in practice, and how officials should balance financial costs against benefits that are long-term and difficult to quantify.

The NT Government is also implementing measures to support transition to Aboriginal controlled service delivery, for example in developing an Aboriginal Contracting Framework, which is intended to support Aboriginal employment and business opportunities through government contracting, including procurement and grants. The draft framework is currently undergoing an economic impact assessment and legal review, and will be released upon its completion (NT Government 2019b).

According to recent GrantConnect data, both PM&C (now NIAA) and DSS have more recently used closed non-competitive grant processes for selecting service providers of children and family services between January 2018 and April 2019 (Australian Government 2019) — although the Commission understands that, in some cases, this includes grant processes used to renew contracts with existing providers (which may have initially been allocated using a competitive process).

A shift in approach is also reflected in recent revisions to program level guidelines. For example, the initial IAS guidelines set out that the bulk of grant funding will be available through open competitive processes (PM&C 2014, p. 5). The latest guidelines place more emphasis on alternative selection processes, such as approaching organisations themselves, or responding to community-led proposals (NIAA 2019b, p. 8).

This undermines the integration of bundled services, particularly in remote communities. Reduced service integration is exacerbated by governments not having clear priorities for service outcomes and an understanding of needs within communities. For example, the ANAO audit of the initial IAS implementation in 2014 found that the use of competitive grant rounds meant considerable levels of service gaps were created due to:

- over one hundred existing service providers with expiring contracts not applying for funding
- providers receiving reductions in funding, resulting in reduced levels of service
- services that received funding not being assessed as high need by the department
- the department making administrative errors (ANAO 2017, pp. 31–32).

As a result, funding approval timeframes had to be extended. The costs of filling these service gaps, and topping up insufficient funding, amounted to $240 million, a figure which does not include the increased administrative costs of recontracting, or additional time devoted by the department (ANAO 2017, p. 33).

For many communities in the Northern Territory, their small size and remoteness mean that the benefits from competitive processes may not always be achievable. Competition may only be achieved by considering providers from larger towns who are likely to deliver the service on an irregular, drive-in drive-out or fly-in fly-out basis, and thus be prone to deliver services that are much more sporadic.

DRAFT FINDING 7.2

Competitive funding processes can provide benefits, in terms of lower costs and improved service quality, but they are not suited to all circumstances. Where there is an inadequate number of potential providers (markets are 'thin') or the economic costs and benefits of a service are difficult to quantify, competitive processes may:

- disadvantage small, community-based and Aboriginal organisations that are trusted by, and may be better able to meet the needs of, communities
- create disincentives for collaboration between providers who are competing for a limited funding pool and the same service user group
- lead to a disproportionate focus on price over quality, and take insufficient account of the longer-term benefits of community-based service providers (such as cultural competence and trust of communities).

7.3 Reforms to achieve better funding outcomes

A fundamental shift in how governments fund and commission services is required to ensure funding mechanisms support the often complex and long-term care needs of children and families. Governments need to ensure that their significant investment of public funds on children and family services in the Northern Territory is allocated in ways that provide the greatest long-term social returns. This will require a move away from the current short-term, largely transactional and output-based approach to funding, towards a longer-term relational and outcomes-focused funding approach. This would give service providers and communities greater:

- funding certainty, so they can plan and invest over the longer term
- discretion and flexibility to determine the best ways to achieve outcomes desired by communities
- support to build the capacity of providers to ensure that services effectively meet local community needs.

Such a task is not without significant challenges. Commitment and long-term investment will be required to build relationships and the capacity for government, service providers and communities to work in partnership to achieve common outcomes. The following sections outline reforms to commence this process, but these will require complementary reforms, including a need to:

- develop a more strategic approach to deciding what to fund, based on a clear understanding of community needs and priorities, informed by community service plans for each 'place', and a coordinated funding approach between the Commonwealth and NT Governments (guided by these plans) (chapter 6)
- improve data collection, and monitoring and evaluation processes to facilitate continuous improvement in the design and delivery of services and a focus on outcomes (chapter 8).

Longer-term funding that covers the full costs of service delivery

The stability provided by long-term contracts (which cover the full costs of service delivery) can allow service providers to focus on service outcomes rather than short-term outputs. Fewer contracting rounds will also free up resources that could be better focused on community engagement, capacity building and relational contracting.

Default contract lengths of a minimum of seven years

In its report on *Reforms to Human Services*, the Productivity Commission recommended the use of default contract lengths of seven years for family and community services, and ten years for human services in remote Indigenous communities, with exceptions made for instances where shorter-term contracts would be more appropriate, such as program trials

(PC 2017b, p. 46). Allowing up to a year each for the set-up and handover periods, a default seven-year contract would allow five years of a service provider's contract to focus solely on service delivery. According to Moran, longer-term contracts are often used internationally.

> Internationally, the average length of time that NGOs engage with communities is eight to ten years … and achieving social outcomes is only more vexed in Aboriginal Australia. (2016, p. 186)

Longer-term funding contracts would:

- aid in building capacity and relationships between governments, service providers and communities
- allow adequate time for service providers to establish their operations, and have a period of continuity of service provision before the conclusion of the contract
- provide funding stability for service providers for them to plan for and invest in effective service delivery
- ultimately give programs a better chance of improving outcomes.

To fully realise the benefits of longer contracting periods, governments and service providers will need to work cooperatively to resolve any issues as they arise. There are some risks that will need to be managed as longer-term contracts may entrench ineffective providers in a community and act as a barrier to the entry of new providers. Contracts should contain safeguards to allow governments to remove providers in cases where they fail to deliver an adequate standard of service despite ongoing support from government to rectify issues.

Some agencies are moving towards offering longer-term contracts. For example, from July 2014, DSS extended the typical duration of its contracts from three to five years, where possible (DSS 2014c, p. 2). The NT Government has more recently mandated five-year funding terms (unless there are extenuating circumstances), for 'service agreements where funding is provided to the same organisation for the same service on a recurrent basis' (NT Government, sub. 31, p. 13).

Although these are positive changes, they fall short of what is needed for service providers to establish their operations, build effective relationships with communities, and ultimately have the best chance of improving outcomes for children and families. Based on information provided for the Commission's stocktake (chapter 2), it appears that many major DSS funding contracts are due to expire in 2020. This provides an opportunity for new funding arrangements to adopt longer terms, as well as the other recommendations outlined later in this chapter.

Funding the full costs of delivering children and family services

Governments should also move away from funding a narrow set of service outputs by instead funding service functions more holistically under a single (or reduced number of) grant(s).

Longer-term funding should cover the full efficient costs of providing children and family services, including funding that takes into account:

- the location of the service and in particular, the higher costs of delivering services in remote areas
- administration, including the costs of data collection, performance reporting (monitoring and evaluation), and other compliance activities required by governments
- capital and maintenance costs where these are essential to the effective operation of the service
- professional development and continuous quality improvement, including any associated program evaluation requirements
- indexation of payments to account for cost increases (such as increasing wages).

The analysis required to estimate the efficient costs of provision is likely to be complicated, and will require governments to increase the quality and use of data to improve estimates and contract design over time (PC 2017b, p. 264).

DRAFT RECOMMENDATION 7.1 **INCREASING CERTAINTY IN FUNDING**

The Commonwealth and NT Governments should set service contracts such that they provide adequate time and resources for service providers to establish their operations, and improve service quality and outcomes.

- Default contract lengths for children and family services should be set at a minimum of seven years.
- Funding should cover the full costs of providing children and family services in the Northern Territory (taking into account the higher costs of delivering services in remote areas, capital investments needed to support service delivery, and the cost of monitoring and reporting on service delivery outcomes).

Where exceptions to default terms are applied, for instance for program trials, agencies should publish a justification of why an exception was made. Pilot programs will be expected to have shorter initial terms, but contracts for such programs should include a contingency for long-term funding if the pilot is found to be successful.

Contracts should also contain adequate safeguards to allow governments to remove providers in cases where they fail to deliver an adequate service despite ongoing support from governments to rectify issues (draft recommendation 7.3).

In addition to extending the length of contracts, the Productivity Commission also recommended in its report on *Reforms to Human Services*, reducing funding uncertainty by:

- publishing a rolling schedule of upcoming grants and tenders over (at least) the next twelve months
- allowing sufficient time (a default of three months) for providers to prepare considered responses, including the development of integrated bids across related services

- notifying providers of the outcome of grant and tender processes in a timely manner (PC 2017b).

This study reiterates the Commission's previous recommendations to improve certainty in funding of human services, to improve service outcomes for children and families in the Northern Territory.

DRAFT RECOMMENDATION 7.2 **INCREASING CERTAINTY IN THE CONTRACTING PROCESS**

To reduce uncertainty in funding of children and family services, the Commonwealth and NT Governments should:

- publish a rolling schedule of upcoming funding opportunities over (at least) the next twelve months
- allow sufficient time (a default of three months) for providers to prepare considered responses, including the development of integrated bids across related services
- notify providers of the outcome of funding processes in a timely manner, well in advance of the end of the existing contract.

A relational contracting approach for children and family services

To support longer-term contracting, governments need to change the way contracts are administered, moving away from a traditional, transactional approach to contract management towards a more 'relational' contracting approach. This involves governments, providers and communities engaging in collaborative reviews of contract outcomes to assess services, to identify opportunities to improve performance, and to align effort with emerging priorities of children and families.

Relational contracting approaches have been used in the infrastructure sector for many years and have more recently been applied to human services, including in New Zealand for nursing and allied health (box 7.7).

Relational contracting is an ongoing relationship between government (as the funder) and service providers to manage delivery of longer-term children and family service outcomes. Under relational contracting, actions are governed by the relationship between each party during a contract term, rather than relying on explicit rules and conditions of a contract (which is the case under a traditional contracting approach). For example, a provider of a Territory Families-funded youth diversion service in Yirrkala could meet with officials from the Territory Families' East Arnhem regional network office regularly (say monthly, with the option for more regular meetings as required such as in the start-up phase) to discuss performance against service outcomes and identify key issues with delivery — informed by consultation with users of their service. Collectively, they can identify and resolve issues, in collaboration with regional managers or national offices if material funding changes are required.

Box 7.7 Relational contracting in New Zealand

Alliance contracting in the Canterbury region

The District Health Board for the Canterbury region in the late 2000s replaced price/volume (input-focused) schedules to contracting district nurse, allied health and laboratory services, with an 'alliance contracting' approach. Under this arrangement, which has been adopted more widely across the New Zealand health system, the funder works collectively with allied partners to allocate pooled funds on a consensus basis to ensure they meet overall performance measures. Contract managers work with all parties to resolve issues as they arise, including issues with performance. In a review of the reforms undertaken in Canterbury, relational contracting was found to nurture collaboration, as all parties have the incentive to direct resources to areas of underperformance to ensure common outcomes are achieved (Timmins and Ham 2013, pp. 19, 42).

This was confirmed by an Office of the Auditor-General New Zealand review of these contracting arrangements, which found that:

> … service providers are working: together rather than competing with each other; with other parts of the health system to determine appropriate models of care; and in an open and transparent manner with Canterbury … [District Health Board] … to actively address questions of service efficiency and consistent quality of service delivery. (2013, p. 19)

In addition, incentives for competition continue to exist within the relational contract as:

> … patients are, within certain constraints, still able to choose a provider. GPs are able to decide which of the three providers they will refer to; clients who have used the service before, or who know relatives or friends who have, can express a preference for the same or a different supplier. (Timmins and Ham 2013, p. 20)

Whānau Ora commissioning framework

A relational approach is also applied as part of New Zealand's Whānau Ora commissioning framework, which relates to the holistic approach adopted by the New Zealand Government to integrating health, education and social services for its Māori populations. Under this framework, the government has contracted three non-government commissioning agencies who in turn contract with service providers and community groups to deliver tailored, local services. In managing relationships with their service delivery partners, the commissioning agencies have developed a relational approach to contracting with:

> … dedicated contracting personnel who work directly with service partners and Whanau to help them understand contractual expectations and reporting requirements. For example, the option to discuss outcomes and co-generate contracted milestones – particularly for innovative initiatives – facilitates an in-depth understanding of contract outcomes and expectations … they take an enabling and non-punitive approach to contracting arrangements and are flexible and open to changing the contract terms. Contracts have been renegotiated and values increased when significant underfunding has become apparent, and on occasion contracts have been downsized and funding reallocated due to partners not being able to meet their contracted obligations. (Te Puni Kōkiri 2016, p. 10)

In an evaluation of the framework, commissioning agencies however, argued that government largely engaged them from a contracting for services approach (contracting to purchase tightly prescribed services) (Te Puni Kōkiri 2016, p. 9). Thus, while the commissioning agencies use a relational contracting approach with service delivery partners, negotiations with the department appears to be conducted via a more classical approach, which limits the benefits of the Whānau Ora commissioning approach (Te Puni Kōkiri 2016, p. 14).

This approach to contract management is particularly important for longer-term contracts, where service outcomes are difficult to define and measure, and therefore require more flexible contract terms that can be defined and revised as the relationship matures over the life of the contract. For example, suppose that the government committed to funding a parenting support program in a remote community over a seven-year period. Although the design of the program may reflect current community needs, and estimated projections of future need, in reality the design of the service will likely need to adapt over the life of the contract to account for changes in populations and community priorities. Relational contracting can give governments greater confidence to fully fund services and equip providers with the discretion to make decisions (in collaboration with their local contract manager) on how best to allocate resources to achieve long-term outcomes.

The nature of a longer-term relationship is that governments, service providers and communities are equally invested in service outcomes. Therefore, where issues of service quality, appropriateness or access are identified, all parties have an incentive to work together to resolve them. This would reduce the current tendency to solve issues by simply funding a new program (for a short period) to minimise risk of service or program failure, and thereby reduce program churn.

In a relational contracting framework, future funding provides incentives for good performance. The funder remains sufficiently informed of the realities on the ground to ascertain whether or not the provider is doing an adequate job. The provider has a clear expectation that their funding will be renewed if their performance is adequate, and that they may receive expanded funding for a wider range of programs if their performance is very good. (One consequence of relational contracting is that it can be difficult to sever relationships or consider new providers, which limits the benefits of competition.)

The continuity of funding is integral for the partnership to achieve results. The partnership needs to be built on trust, so the provider does not have an incentive to hide setbacks, with all parties prepared to work through challenges and problems and adjust the program if it is not working as planned. At the same time, regular site visits will give the contract manager timely and relevant information. For example, if a provider is continually exerting low effort (for instance, is consistently not providing the stated service when they are scheduled to) then contracts may need to be terminated or not renewed.

The role of communities is critical in this relationship by giving providers and governments information about the performance against children and family outcomes. This is consistent with other aspects of the approach taken in this report, where communities are central in identifying priorities for children and family services and assessing whether existing services are delivering on their objectives (chapters 6 and 8).

Relational contracting, however, can suffer from the twin problems of credibility and clarity (Gibbons and Henderson 2012, pp. 1351–1352). Providers will only be willing to share information with contract managers and the community if they understand and trust that contracts will be renewed, even when challenges have arisen. Without the trust and information-sharing, the benefits of relational contracting cannot be realised. Agencies

should therefore be at pains to explain relational contracting to their providers, and it may take a few years before trust is built up.

A relational approach needs to be applied proportionately

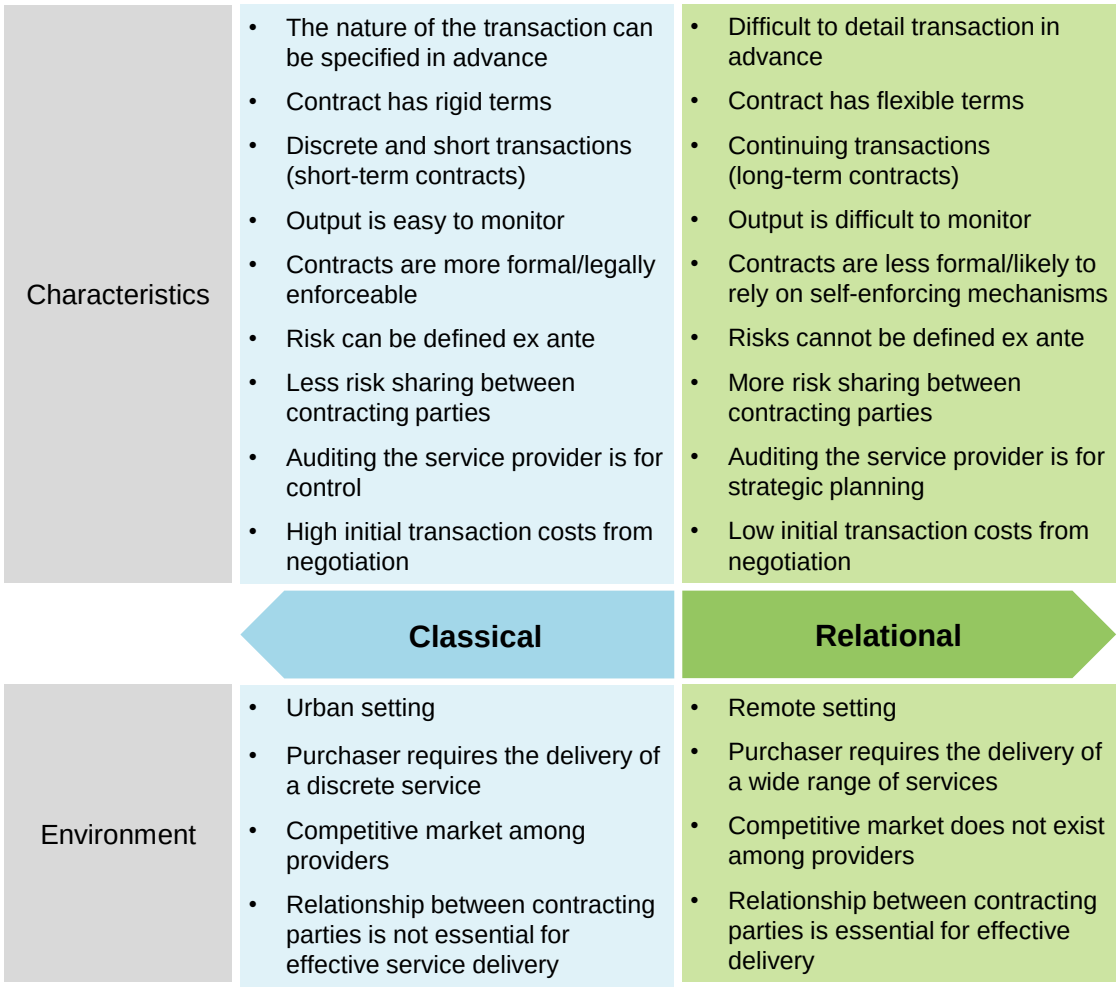
Adopting a relational approach consistently across all programs and services would be resource intensive. Therefore the level of interaction between all parties to a contract will need to be fit-for-purpose. Relational contracting is best suited to funding arrangements that involve high levels of dependency between governments and providers (for example, where there is lack of competition), and complex service outcomes (where there is a higher risk of service failure and where outcomes from the service are difficult to measure) — both of which are relevant to many children and family services, particularly in remote areas.

Funding of preventative services can provide fertile ground for relational contracting. For example, services which are broad ranging (such as youth engagement and diversionary services) are more amenable to relational contracting as they may be difficult to specify or detail in advance, and rely on an evolving relationship to define outcomes. Similarly, for contracts in some remote areas of the Northern Territory, both governments and service providers are more reliant on each other to achieve their objectives than what would be the case in an urban setting (where there is potentially more competition).

Alternatively, contracts to provide out-of-home care, which have much better defined service outcomes may benefit less from a relational approach. Similarly, for short-term contracts such as those used for one-off events, there may be minimal gains from relational contracting as the short timeframes can imply: less complexity; less time for unforeseen contingencies to arise; less need or scope to learn by doing; and a diminished role given to the idea of an 'ongoing relationship'. Thus, the optimal level or type of the relationship will be a function of the characteristics of the contract being negotiated (figure 7.1).

The nature and governance arrangements of these relationships need to be specified in funding arrangements with service providers. However, the frequency of these interactions would also need to be proportional to the level of potential risk. Where service providers have demonstrated continued performance, interactions could become less frequent to reduce the administrative burden on government and service providers.

Figure 7.1 **Classical versus relational contracting**



Source: Adapted from Dwyer et. al. (2011, p. 15).

Managing relationships will require capacity building

Relational contracts require considerable investment in staff (contract managers) to sustain an on-going relationship between governments and service providers. They also require systems that can accept some failure and support contract managers to manage risk and deal with issues as they arise.

This will require governments to relinquish some control over how services are delivered — resisting the urge to micromanage from Canberra or Darwin — and trust providers and contract managers at the community level to find the most appropriate ways to meet the needs of children and families in each community. For example, in managing relationships within contracts, the New Zealand Government asks relationship managers to be responsible for:

- encouraging an atmosphere of trust, openness and clear communication and an attitude based on working together and shared objectives

- proactively looking for ways to improve the relationship and ensure stakeholders feel involved
- establishing and managing an effective communication framework between all stakeholders
- ensuring, where possible, that communications at all levels are peer to peer
- managing the resolution of disputes – resolving 'soft' tensions between agency and supplier, and 'managing upwards' to ensure senior management are informed about issues before they escalate and can intervene as appropriate
- establishing regular reporting procedures (formal and informal)
- organising forums, seminars, training and other information-sharing activities. (New Zealand Government 2011, p. 22)

To ensure that trust is built and the relationship is truly a partnership between governments, service providers and communities, contracts should be primarily managed at the local or regional level — noting that in some cases service delivery could be best supported by staff with a national policy focus and expertise. For example, Central Australian Youth Link Up Service, which has experienced contract liaison from both Canberra and Alice Springs, concluded that:

> … things have generally run more smoothly when we have been managed from Canberra. This is perhaps because the staff we dealt with were a part of the Petrol Sniffing Strategy or before that the Drug Strategies Branch and thus had specialist knowledge and expertise that related directly to our field. Staff based in the national office have tended to have a better understanding of the national picture and where we sit in that, including an understanding of how good the outcomes have been in our region in comparison with other parts of the country. (2015, p. 9)

To fully develop partnerships between governments, service providers and communities, the Commonwealth and NT Government will need to invest in the capacity of existing regional networks (chapter 4). In the case of PM&C (now NIAA) regional network staff, the ANAO found this was not the case.

> The full potential of the Network to facilitate the design and delivery of local solutions to local problems by leveraging its understanding and connection to communities is not being maximised. The department, through the Network, has not effectively embedded arrangements to coordinate with key stakeholders, input into policy is inconsistent, and Network officers have limited authority to make decisions that impact on local Indigenous communities. (ANAO 2018, p. 8)

Although NIAA's delegation framework supports senior network staff making local decisions, in practice decision-making authority appears to be largely centralised at the national level by either national network managers or by the national level managers of program streams, such as Children and Schooling, and Safety and Wellbeing. Moreover, the Minister for Indigenous Affairs approves the majority of funding decisions (ANAO 2018, p. 9) — although the Commission understands that some of this authority was delegated to the CEO or senior executive levels from June 2019 (depending on the level of funding or assessment of risk). Delegation of contract management and decision-making varies across NT Government agencies and program areas. The Commission understands that decision-making authority for entering or varying contracts is largely delegated to senior

executives within the NT Government (who are concentrated in Darwin, Alice Springs and the regional centres). Variations in funding arrangements rest with the relevant Minister, and are generally delegated (depending on the value of the contract) to senior NT Government officials.

This is not to suggest that authority should be fully devolved to regional offices. Ministers should rightly be ultimately accountable for significant funding decisions within their agency. That said, within an existing funding envelope there is scope to give greater discretion to service providers and government officials at a local level to make decisions on how best to deliver a service to local communities. For example, if in the process of a regular review of a school attendance program, it is found that a key factor inhibiting outcomes is lack of parental engagement, the contract manager would work collaboratively with the service provider to develop an appropriate solution. Program changes that do not involve significant additional funding could be approved by the regional manager, rather than the central office or the Minister.

DRAFT RECOMMENDATION 7.3 **A RELATIONAL APPROACH TO CONTRACTING**

The Commonwealth and NT Governments should adopt a relational approach to contracting, in which governments, service providers and communities work collaboratively towards shared outcomes. A relational contracting approach would involve:

- governments and service providers engaging in collaborative, regular reviews of service outcomes (after consulting users of the service) to assess progress against user needs, with continuous improvement and adaptation of services when required
- regular reviews that are proportionate to the dependency between governments and providers — for example, more regular reviews where there is lack of competition — and where the risk and complexities associated with the service are high

management of the relationship with service providers at the local or regional level, using existing regional network staff and infrastructure already in place. Governments should ensure that regional network staff have the skills, capacity and authority to make independent decisions on minor changes to service delivery, and in consultation with head offices when more substantial changes are required.

As noted here and in chapter 6, regional network staff are well placed to work with communities to document their priorities and needs in community plans, and to work with service providers and communities in a relational contracting approach. Effectively fulfilling these roles is likely to require some investment from governments to ensure that regional network staff have the:

- *skills* in community engagement, including an understanding of the cultures and the communities they are engaging with, and an ability to manage complex relationships and policy outcomes (including the ability to identify and measure outcomes, and to negotiate and renegotiate contract terms)

- *capacity* in terms of the time and resources to monitor outcomes, to address community concerns, and to deal with issues as they arise
- *authority* to make decisions on certain resourcing issues, including support from the agency to respond to risks and problems that may arise.

DRAFT RECOMMENDATION 7.4 **AN EXPANDED ROLE FOR REGIONAL NETWORKS**

The Commonwealth and NT Governments should ensure that their regional networks have the skills, capacity and authority to:

- undertake community planning and provide advice to the Children and Families Tripartite Forum (as per draft recommendation 6.1)
- adopt a relational approach to contracting at the local or regional level (as per draft recommendation 7.3).

Funding to build the capacity of Aboriginal organisations

Many children and family services in the Northern Territory are targeted to Aboriginal children, families and communities (about 40 per cent of the 63 000 children living in the Northern Territory are Indigenous (chapter 1)). Many submissions to this study emphasised the importance of ensuring that these services are culturally appropriate, reflective of community needs, and therefore effective at addressing outcomes that are meaningful to Indigenous communities (AMSANT, sub. 20, p. 12; CAAC, sub. 25, p. 13; NAAJA, sub. 28, p. 15; NACCHO, sub. 21, p. 3).

The Commission is proposing two ways to ensure that the best service providers are chosen to deliver physically accessible and culturally appropriate services to Aboriginal communities:

- ensuring that provider selection processes are designed collaboratively with communities and take into account all relevant attributes of service providers that are relevant to achieving outcomes for people living in Aboriginal communities
- funding arrangements that support building the capacity of ACCOs and that ultimately lead to the transfer of control, and where desired the delivery, of the service to the Aboriginal organisation.

Considering the full attributes of service providers in funding processes

The costs of service provision are a key element of selection processes, but other factors should also be considered. Provider selection processes (and criteria used to guide these

decisions) should ensure that all attributes of service providers that are relevant for achieving outcomes for children and families are taken into account. These attributes include:

- the ability of the provider to deliver culturally appropriate services (specific to the community or region where the service is to be provided)
- the providers connection to the community, and ability to engage with the community and consider feedback on service performance
- employment and training of local and/or Indigenous staff, which may provide benefits due to local and cultural knowledge of staff, and may reduce the reliance on non-local staff. This can provide for a more sustainable and cost-effective service over the long term.

A greater focus on these non-financial aspects in funding applications may result in higher cost providers being selected. But the significant potential for these providers to deliver improved outcomes mean that the benefits over the longer term are likely to exceed the higher initial cost of service provision.

Funders should make provider selection decisions in collaboration with affected communities to ensure those decisions reflect the community's needs and priorities. Funders could draw on the Aboriginal Peak Organisation (APO) NT Partnership Principles, which are supported by non-government organisations that have representatives on the Children and Families Tripartite Forum (for example, AMSANT, sub. 20, p. 14; NAAJA, sub. 28, p. 16; NTCOSS, sub. 18, p. 4), and which have been used to inform NT Government policy and service delivery (NT Government 2018d, p. 16; Territory Families 2017, p. 5) (box 7.8).

Funding arrangements to support Aboriginal delivery of services

As discussed earlier, in many cases ACCOs are likely to be best placed to deliver longer-term outcomes and services by having a local presence, and knowledge and trust within the community. There may be circumstances where an existing ACCO may be best placed to deliver services to a particular community but may not have adequate capacity. In such circumstances, funding arrangements should support the development of capacity and control of the service over time. This is in line with the NT Government's Local Decision Making Policy which seeks to transition services to community control (chapter 1). The Northern Territory's *Grant Funding Rules and Guidelines for Service Provision* also sets out an aspiration for greater Indigenous control, and aims to improve engagement with service providers and encourage long-term capacity building (NT Government, sub. 31, p. 13). However, the guidelines do not outline exactly how this will be achieved.

The Commonwealth Government has also taken steps to support greater community control over service delivery through its Indigenous grants and procurement policies (discussed earlier). Similarly, the Commonwealth's Indigenous Procurement Policy has set an overall target of awarding three percent of Commonwealth contracts to Indigenous businesses by 2020, and provides a formula for calculating the targets of each agency to meet this goal

(Australian Government 2015, pp. 13–14). The policy does not outline what investments are required to make this transition effective.

Box 7.8 APO NT principles for working with Aboriginal organisations

APO NT Partnership Principles 'are designed to guide the development of a partnership-centred approach for non-Aboriginal organisations engaging in the delivery of services or development initiatives in Aboriginal communities in the Northern Territory' (APO NT 2017). These state that non-Aboriginal non-government organisations (NGOs) should:

- consider whether they have the capacity to deliver effective outcomes in the Northern Territory context
- recognise the existing capacity and strengths of Aboriginal NGOs
- thoroughly research existing Aboriginal service providers before applying for contracts
- seek partnerships with Aboriginal NGOs and not directly compete with them
- be guided by the priorities of the Aboriginal NGO in developing a partnership
- recognise, support and promote existing development practices that Aboriginal organisations have embedded in a cultural framework
- work together with Aboriginal people to create strong and viable Aboriginal organisations
- ensure Aboriginal control, not just consultation
- develop a clear exit strategy, with contracts incorporating a succession plan for local Aboriginal organisations to deliver services, with appropriate resourcing included
- develop a robust accountability framework and evaluation process together
- share learnings and establish effective development practice and cultural competency.

(This is an abridged version of the full set of principles.)

Participants to this study have raised concerns that the process of transition to ACCOs is not clearly articulated or resourced in funding agreements. For example, Save the Children Australia noted that in stipulating a transition towards greater community control in service delivery, funders set:

> … short timeframes for transition without adequate consultation with service providers or communities, nor identification of a transition partner. This risks disruption to service continuity for vulnerable children and families and may rupture relationships with the community leading to difficulties in providing ongoing or transitional support. … Good quality, ethical and sustainable transitions require adequate financial investment to ensure that both mainstream and community organisations are supported to undertake effective and appropriate transition work over a realistic timeframe. (sub. 30, p. 3)

The Commonwealth and NT Governments fund some capacity building through separate program funding, including one-off grants under the Commonwealth's Aboriginal Benefits Account and other non-children and family related program streams under the IAS. The NT Government's Remote Aboriginal Governance and Capacity Building Grant Program aims to support and build the capacity of remote communities within the Northern Territory

by funding activities (of organisations and corporations in remote areas of the Northern Territory with the primary benefit of the grant focused on Aboriginal people) worth up to $50 000, which relate to:

- improving governance structures
- building capacity — leadership, skills and expertise
- improving operational management skills and expertise
- contributing to community capacity building
- increasing community input into service delivery (NT Government, sub. 31, p. 13).

Although these are promising steps, the approach separates funding of capacity building from the delivery of specific children and family services. In addition to separate grant funding for capacity building, governments should explicitly build capacity building requirements into funding and contracting arrangements for specific services, where an ACCO is considered to be better placed to deliver services and improve outcomes over time, but where it does not currently have the capacity to do this and requires support (box 7.9).

Box 7.9 What is capacity building?

Capacity building refers to investing in the capability and capacity of local communities to become more autonomous and less reliant on external service providers. This can involve the building of human and physical capital, as well as the governance structures required for individuals or organisations to perform specific functions, solve problems and set and achieve goals; that is, to 'get things done'.

Within the context of a public health approach, capacity building involves developing the ability for communities to have control over appropriate services across the tertiary to preventative continuum. In aiding with the transition towards more community control, capacity is only enabled when there is: delegation of appropriate authority to make decisions or implement change; acceptance by those affected by the decisions being made and the implications that might entail; and the ability to make decisions (including the time, resources, skills and knowledge to support change) where it would foreseeably improve outcomes.

Source: Queensland Productivity Commission (2017a, p. 132).

In such circumstances, governments should appropriately resource ACCOs in their children and family service funding contracts to build capacity and governance needs. Alternatively, where capacity building can be more effectively achieved through a partnership arrangement with a non-ACCO, the contract should specify a clear transition path for the development and transfer of skills and knowledge, including setting clear timeframes and resourcing of, amongst other things:

- employment and training of locally-based staff across all service delivery roles (where appropriate)
- governance capacity to ensure the organisation is able to comply with all aspects of the funding agreement, including reporting and evaluation requirements

- a clear exit strategy for the non-ACCO.

The expectation of a partnership approach between an ACCO and non-ACCO service provider is that control of the service would be handed to the ACCO at the end of the transition period. The transition period should occur over an appropriate timeframe specified in the funding agreement. The timeframe should be flexible for different organisations, depending on their initial capacity and the complexity and risks associated with the service. In some situations, transition may take several years. But in any case, there should be a requirement for the non-ACCO service partner to build capacity and transfer knowledge and to demonstrate how they have done this (with the possibility of an incentive payment if the provider is able to successfully demonstrate this before the end of the transition period).

Effective partnerships require an appreciation of the relative strengths and weaknesses of both the ACCO and non-ACCO service provider. This will ensure that the goal of capacity building is preserved through a smooth transition process. This approach would be complemented by a relational approach to contract management (as outlined earlier), where the government contract manager is working to ensure that the ACCO can take over the delivery of the service within a specified timeframe.

DRAFT RECOMMENDATION 7.5 **TRANSITION TO ABORIGINAL CONTROLLED SERVICE DELIVERY**

When commissioning children and family services primarily targeting Aboriginal and Torres Strait Islander people, the Commonwealth and NT Governments should ensure that service providers have the capacity to deliver physically accessible and culturally appropriate services.

- Funding decisions should take into account the characteristics and capabilities of providers (such as their cultural competence and connection to communities) and their ability to deliver improved outcomes. To support this, grant rules and guidelines should be adapted where necessary.
- Where an Aboriginal Community Controlled Organisation (ACCO) is expected to deliver better outcomes for children and families over the longer term, but lacks the capacity to effectively deliver services, the Commonwealth and NT Governments should engage non-ACCO service providers to partner with them, with funding agreements outlining a clear succession plan over defined timeframes and appropriate resourcing and incentives for building the capacity of the ACCO to deliver services.

8 Monitoring and evaluation

Key points

- Monitoring and evaluation of children and family services is essential for facilitating continuous improvement in the design and delivery of services and for ensuring that governments and service providers are accountable to the community for how they use public funds. But the nature of children and family services and the Northern Territory context present significant challenges to rigorous monitoring and evaluation.
- Currently, monitoring of children and family services is largely compliance focused. The information collected through monitoring does not always provide useful information to providers or communities to support service improvements. And it creates a significant compliance burden on providers that rely on funding from a number of different agencies.
- Evaluation of programs and services is not done rigorously or systematically, partly reflecting the significant challenges in attributing the impact of services on outcomes.
- Monitoring and reporting on wellbeing metrics at the community level is the first step in identifying the collective impact of the service system on child and family outcomes. But this does not identify which services are influencing outcomes. Reporting on wellbeing outcomes needs to be complemented by evaluation, to identify what works and what needs to be improved.
- Formal quantitative evaluations that seek to measure impacts of children and family services in the Northern Territory are challenging and may not be informative in many cases. This is because it is hard to measure the impact of a single program when a small number of communities or people receive the service, when there are long time delays before effects can be seen, when there are multiple other services directed at the same outcomes (with a different service mix in each community), and when policies and programs change frequently.
- When formal evaluation is used, results need to be interpreted carefully — precise magnitudes of impact cannot be estimated. Care is also necessary when considering the transferability and replicability of findings, given the diverse nature of communities in the Northern Territory.
- A more practical and effective use of evaluations of children and family services is when they facilitate learning by doing. This requires embedding monitoring and evaluation into funding and contracting of services from the start (rather than as a separate process).
- Relational contracting (where service providers and funders work together to identify problems and solutions) and more effective monitoring and evaluation support each other. Resourcing for monitoring and evaluation (including for periodic community surveys) should be included in service contracts, with communities having a role in deciding how surveys are conducted.
- The Commonwealth and NT Governments should draw on findings from evaluations at the service and community level, and prioritise more formal evaluations of programs and services that: involve a high level of expenditure and risk; or cover a large number of children and families; and have been introduced into communities that have not experienced significant changes in policy (to enable reasonable attribution of the impact of the program or service).

Information from monitoring and evaluation are key inputs into decisions about which programs and services to fund, how to improve the design and delivery of services, and for ensuring that governments and service providers are accountable to the community for how they use public resources.

But assessing the impact of children and family services on wellbeing *outcomes*, and identifying 'what works' through evaluations of programs and services is challenging. The promotion of child safety and wellbeing is influenced by many interrelated factors. This makes estimating the impacts of government-funded services and programs particularly complex. There is no single best approach and some of the barriers to rigorous monitoring and evaluation of children and family services cannot be fully resolved.

This chapter highlights the challenges to monitoring and evaluation of children and family service outcomes in the Northern Territory. It puts forward an approach to improving monitoring and evaluation that is fit-for-purpose — that is, it takes account of the way children and family services are delivered and used in the Northern Territory, particularly in remote communities.

8.1 Current monitoring of children and family services

There is considerable scope to improve how the performance of children and family services is monitored in the Northern Territory. Current performance monitoring:

- is undertaken at a national, regional or departmental level, which does not reflect community-level outcomes or priorities
- is largely compliance focused, reporting on service outputs and tertiary level activities, such as the delivery of statutory child protection services
- does not facilitate continuous improvement and ongoing evaluation of services.

Monitoring does not currently inform community-level outcomes

Performance monitoring (that is, reporting against outcomes using suitable performance metrics) of children and family services is undertaken at several levels.

The Department of Social Services (DSS) has previously reported against national-level outcomes and indicators set out in the *National Framework for Protecting Australia's Children 2009–2020* (National Framework). The high-level objective of the National Framework is that 'Australia's children and young people are safe and well' and this broad objective is underpinned by six supporting outcomes (DSS 2018a, p. 4). Progress towards the high-level objective is measured through 8 performance indicators and the sub-outcomes are measured through 23 performance indicators (although some measures are yet to be reported on, such as responses to the 'Strengths and Difficulties Questionnaire' by children

leaving care, or the proportion of Indigenous children placed through Indigenous-specific out-of-home care agencies) (DSS 2018a, p. 23).

Commonwealth and NT Government agencies are also required to report on program-level performance measures, to comply with Commonwealth and NT-specific resource management requirements. These requirements (legislated under the Commonwealth *Public Governance, Performance and Accountability Act 2013* and the Northern Territory *Public Sector Employment and Management Act 1993*) apply to all funding agencies, and help ensure that public funds are used appropriately to meet government objectives.

Current reporting is done on a limited number of measures relevant to keeping children safe and well. For example, performance indicators in the National Framework largely focus on child protection statistics, with only a handful of indicators related to: the risk of child harm (such as parental alcohol and drug use); and survey measures of family cohesion and neighbourhood safety (DSS 2018a, p. 4). Overall, performance indicators in the National Framework largely focus on child protection rather than prevention and early intervention services. A review of the National Framework found that there was concern about the absence of meaningful measures of the prevalence of child abuse in the community, and expressed a need to develop outcomes-based measures 'across domains that have a direct impact on child wellbeing — not just child protection' (ACIL Allen Consulting 2015, p. 15).

Territory Families also reports on many of the indicators in the National Framework, particularly relating to the delivery of child protection services (which they have primary responsibility for). Commonwealth agencies' performance monitoring typically reflects the policy aims of their funding programs, such as Indigenous employment (in the case of the Department of the Prime Minister and Cabinet (PM&C) and now relevant to the National Indigenous Australians Agency (NIAA)) (figure 8.1).

Performance reporting is also primarily output and activity focused, which reflects some of the challenges in measuring outcomes for children and family services, particularly for preventative services (box 8.1). The lack of performance monitoring data for preventative services could mean that governments face much less scrutiny for these programs, compared with tertiary services that are more readily quantifiable. Although a focus on tertiary service performance measures may be justified, as these relate to more immediate issues of child harm, in the long run this may lead to underinvestment in prevention (CAAC, sub. 25, p. 11; Danila Dilba Health Service, sub. 22, p. 7; NAPCAN, sub. 19, p. 2).

Moreover, neither Commonwealth nor NT Government agencies report against outcomes at the community level, although the NT Government is developing the 'Story of our Children and Young People' which will report against indicators across six domains of wellbeing at the regional level (chapter 6).

Figure 8.1 **Agency level performance reporting**

2017-18 annual reports

Department of the Prime Minister and Cabinet	Department of Social Services	Territory Families
High-level outcome: Improving results for Indigenous Australians, including in relation to school attendance, employment and community safety, through delivering services and programs, and through measures that recognise the place that Indigenous People hold in this nation. **Supporting outcome (children and schooling):** Increased Indigenous school attendance and improved educational outcomes. **Supporting outcome (safety and wellbeing):** Reduced levels of offending, violence and substance abuse. **Performance indicators:** Service providers self report on the following mandatory key performance indicators: • number and proportion of Indigenous people employed in delivery of the project • extent of compliance with project agreement terms and conditions (PM&C target: 70% compliance) • meeting COAG Closing the Gap education targets (such as reading, writing and numeracy achievements, school attendance, year 12 (or equivalent) attainment rates). **Reporting:** Annual reports monitor performance against these and other agency targets (such as collaboration, monitoring and implementation), as well as reporting on results of ad hoc program evaluations and case studies.	**Outcome (Families and Communities):** Extent to which assisted individuals and families have improved individual and family functioning. **Intermediate outcomes:** Extent of contribution to implementing national initiatives, and extent to which payments and service provision meet program objectives. **Performance measures:** Percentage of assisted individuals and families: with improved circumstances in relevant areas; who achieve goals related to building capacity and connections; and who are from priority groups. Number of: organisations contracted or granted funding; and individuals assisted. Extent of: satisfaction with services (survey-based measure); community and service system capacity and capability improvement. Extent of progress in implementing: the *National Plan to Reduce Violence against Women and their Children 2010–2022*; and the *National Framework for Protecting Australia's Children 2009–2020* (rated as 'met' or not). **Reporting:** Annual reports monitor performance against these and other agency targets, as well as reporting on likely service outputs and activities that led to these results.	**Outcome:** Providing early support to children, young people and families. **Key deliverables:** Number of: children whose family support casework services; strengthening families cases commenced to support families with identified needs. Proportion of children who were the subject of a resubstantiation within 12 months. **Outcome:** Safeguard the wellbeing of children, young people, families and the community. **Key deliverables:** Child protection: notifications received, investigations finalised/commenced; investigations substantiated etc. Out-of-home care: Number of children admitted/exiting, by type of care (such as foster, kinship); permanent care orders granted etc. Youth justice: Number of youth: completing a restorative justice conference and agreement; completing community-based orders; receptions into a youth detention facility; with diversion case management plan; proportion who are Aboriginal etc. Domestic violence: crisis accommodation services provided; proportion of child protection notifications associated with domestic and family violence etc. **Reporting:** Annual reports monitor performance against these and other agency objectives (such as partnerships and collaboration to empower change; and encourage and celebrate inclusive, diverse and connected communities). Territory Families also reports on key actions and reforms for each outcome area (including more detailed case studies on some of these activities).

Sources: DSS (2018b, pp. 48–62); PM&C (2018b, pp. 75–105); Territory Families (2018a, pp. 16–48).

Box 8.1 Some of the challenges of measuring outcomes

There are significant challenges in transforming broad aspirational objectives into concrete (measurable) and time-constrained performance commitments and outcomes (Department of Finance 2015, p. 4). Measurement of outcomes of children and family programs is:

- difficult to do quantitatively, for example measuring harm prevention outcomes from youth diversionary programs
- complex, for example because they address persistent or complex problems, such as intergenerational trauma experienced by Aboriginal and Torres Strait Islander peoples from negative policy interventions
- sometimes most appropriately or meaningfully defined (in the case of qualitative outcomes) in terms of a different cultural frame, for example accounting for Aboriginal and Torres Strait Islander knowledge and perspectives. This requires cultural competence and capabilities from government to properly assess community views
- best observed over the medium to long term, particularly for interventions that involve long-term investment in capability building within a community before outcomes can be observed (for example, relating to education outcomes and overcoming trauma)
- influenced by many interrelated services that are funded by different agencies across multiple jurisdictions.

There is a need for periodic reporting on outcomes for children and families at the community level. This is required to identify if outcomes are getting better or worse, and in which communities children and families need greater support. It would also complement the Commission's proposal for community plans to be developed as part of a new process for coordinating funding between the Commonwealth and NT Governments (chapter 6). Much of this same community-level data will be required to support evaluation of services and programs at the community level (discussed later).

Does provider-level reporting contribute to improvement in services?

Providers of government-funded children and family services are also required to undertake performance reporting. Currently, reporting requirements largely reflect the output and activity focused performance reporting of the relevant funding agencies. Reporting requirements for service providers are specified in service agreements with government agencies, and vary across each funding agency and program area. Nevertheless, much of their reporting centres on tracking what service is delivered (when/how often), who uses the service (clients) and who delivers the service (particularly as it relates to Aboriginal employment in service provision).

- Under the Indigenous Advancement Strategy (IAS), service providers generally report to the NIAA every six months on: the level of employment of Aboriginal and Torres Strait Islander people in the delivery of the funded service (mandatory key performance indicator (KPI) 'M1'), including the number of hours worked by Indigenous and non-Indigenous staff; and their overall compliance with project agreement terms and

conditions (mandatory KPI 'M2') (NIAA 2019a, pp. 13–14). The NIAA also specifies some additional KPIs for each funded program, which require providers to report on how well services are delivered based on surveys, client feedback forms or questionnaires. For example, under the Children and Schooling program, providers may be asked to report whether at least 80 per cent of: participants receiving a service are satisfied it was useful and well-delivered; or parents or carers whose children attend a service agree the service has improved their child's language skills, social skills, confidence, health and/or learning outcomes (NIAA 2019a, p. 16).

- DSS has a different set of mandatory reporting ('priority') requirements for activities it funds. All service providers must report every six months on client demographic and service activity information, which includes for example the service activity date, service type, and other session details (DSS 2018d, pp. 17–24). Service providers generally also have the opportunity to 'opt in' to a partnership approach, which enables them to collect and provide additional information on the impact of program activities (box 8.2). Reporting on client outcome data is optional for most funded organisations, and the Commission understands that take-up of this is relatively low.
- Reporting requirements used by Territory Families vary across program areas, and are tailored to the nature of the service. For many of its core tertiary services, much of the reporting appears to be output focused. For example reporting requirements for:
  - foster care support services include six-monthly reports, which detail funded activities by output measures (such as occasion of service and number of clients), location and target groups (DCF 2016b, p. 13)
  - the Intensive Family and Parenting Support program focuses on activity details, including the number of families receiving the service, number of new referrals, number of hours of service provided per family, total number and timeliness of family preservation plans completed, as well as a measure of client satisfaction with services delivered (based on a client survey at case closure) (DCF 2015, p. 20)
  - the Safe, Respected and Free from Violence Prevention Fund has 'narrative' reporting focused on: duration and occasions of service; locations of service; approximate number of attendees; number of staff delivering the service/project; and training and qualification of staff, as well as reporting on surveys to get client feedback of program success (for example, what they valued from the session, how it changed their beliefs or improved their knowledge on the impact of domestic and family violence) (Territory Families 2018c, p. 8).

Output and activity based performance monitoring largely appears to focus on compliance, ensuring the terms of the contract are met in the delivery of the service, but ultimately provides limited information on how effectively it is delivered.

As noted by the Aboriginal Medical Services Alliance Northern Territory, 'members often inform [them] that reporting requirements are onerous, do not effectively facilitate capacity building, and often may not produce useful data for Clinical Quality Improvement (CQI) processes' (sub. 20, p. 15).

Box 8.2 DSS Partnership Approach to performance reporting

Service providers funded by the Department of Social Services can choose to provide an additional set of indicators that can better tell their performance story. This includes: clients' reasons for seeking assistance, referrals (in and out), household composition and income status, and other outcomes-focused data collected using Standard Client/Community Outcomes Reporting (SCORE).

SCORE helps tell the story of what has been achieved, and involves tracking measures at appropriate intervals (including at the start) of service delivery, across four domains.

- Circumstances — changes in client circumstances, such as mental/physical health, material wellbeing and situation.
- Goals — progress in achieving specific goals, such as behaviours, skills for lessening the impact of a crisis.
- Satisfaction — did the client feel the service met their needs?
- Community — changes in group, organisation, and community capacity to address identified needs (DSS 2018d, pp. 27–32).

Similarly, Katherine Isolated Children's Service (KICS) noted that in moving from being funded by the Commonwealth education portfolio to the IAS program (now managed by the NIAA), the acquittal process is:

> … significantly different and not at all focused on KICS service provision … Funding acquittals through the [Department] of Education asked for a four week snapshot of venues, playgroups and attendance data to show that KICS was performing its service provision effectively. The PM&C IAS acquittal asks for success stories, barriers to service provision and the only specific questions are in regard to Indigenous employment … I understand that this is a KPI of the IAS funding stream, but it takes the focus off the service provision as a remote, mobile playgroup and parent information service for children and families who are socially and geographically isolated. (sub. 3, pp. 2–3)

DRAFT FINDING 8.1

Performance monitoring and reporting on children and family services occurs at many levels, but the quality and use of performance information is inconsistent. In general, performance monitoring of children and family services is:

- compliance-focused, mainly reporting on service outputs and tertiary level activities, such as delivery of statutory child protection services
- undertaken at a national, regional or agency level.

The current approach does not enable monitoring of outcomes for children and families at the community level. Better data on outcomes for children and families at the community level (draft recommendation 6.3) is needed as a first step in identifying the impact of the service *system* on outcomes.

Reporting requirements are burdensome for service providers

Compliance focused performance reporting for service providers means that providers are devoting significant resources to reporting obligations, with little benefit in terms of feedback to improve service delivery. This can be particularly burdensome:

- for service providers that receive funding from multiple agencies, each with its own reporting platforms and unique information requirements, or that receive multiple grants from the same agency, and have to separately report on performance against each grant for which they receive funding
- where service providers face other administrative issues, such as changes in contract managers within a contract period (KICS, sub. 3, p. 2), or different reporting timeframes across the programs they deliver
- where the cost of collecting timely and reliable community-level data is not funded appropriately in existing service agreements (NTCOSS, sub. 18, p. 5; Save the Children Australia, sub. 30, p. 1).

For example, the North Australian Aboriginal Justice Agency (NAAJA), which received 11 separate grants from the IAS (chapter 2), highlighted a number of issues in complying with its reporting obligations, including:

- being required to provide a different performance and financial report for each grant, including separate reports for the same service offered in different locations
- varying timeframes across programs, with some requiring reporting every three months and others every six months
- project officers in regional networks regularly changing, and often without notifying service providers. This limits the continuity in contract management and program knowledge. In one case, NAAJA had to deal with seven different project officers over an 18 month period (NAAJA, pers. comm., 19 September 2019).

Under the IAS, each service provider is meant to have one 'Head Agreement', with schedules covering separate projects. According to PM&C, this means:

> Providers are now required to report against the Head Agreement outlining milestones against each project listed in the Schedules … [and] … will no longer have to complete the duplicating reports against multiple projects and within a variety of different frameworks. (PM&C 2015a, p. 50)

However, reduced red tape has not been experienced by all service providers funded under the IAS. For example, the National Aboriginal Community Controlled Health Organisation (NACCHO) has previously noted that even if in a single funding agreement there are the same or similar measures that show or record similar outcomes, duplication in reporting may

still exist where PM&C decides separate reporting on these measures is required (SFPARC 2016, p. 22). NACCHO further noted that:

> … activity service reporting, which shows you what type of program you are delivering … [can also] … add another layer of reporting as part of any schedule. It will be different, depending on the scale of service and the capability of the service and size. (SFPARC 2016, p. 22)

Some Commonwealth government agencies have also sought to streamline their reporting process through online reporting but it is unclear whether this has reduced the reporting burden on service providers. For example, the DSS Data Exchange (DEX) platform commenced on 1 July 2014, and covers the majority of its Family and Community programs, as well as some programs from the Department of Health and the Attorney-General's Department. A review of the Communities for Children program (funded by DSS), which uses the DEX reporting platform, found that transition to the DEX was burdensome for many service providers.

> Many felt that the DEX platform is not user friendly, and demands significant workload. A few Community Partners noted that the DEX associated workload can be an extra burden to their organisations, and that no additional funding has been provided to compensate for it. A number of providers also did not have the right IT in place to transition to the DEX platform. (ACIL Allen Consulting 2016, p. 61)

There are potentially many ways reporting burdens could be reduced on service providers delivering children and family services in the Northern Territory. Reporting burdens could be reduced, for example by:

- limiting reporting requirements to the minimum necessary to meet objectives. In general, the information collected should be proportional to the complexity and size of the service, and should be fit-for-purpose, to ensure information that is collected is meaningful to the provider and community, and facilitates continuous improvement in the service
- standardising reporting requirements and timeframes for similar services or program categories across all children and family service funding agencies. In standardising a minimum set of reporting requirements and timeframes, the process should not raise reporting requirements, unless there is benefit in doing so and reporting is adequately resourced
- all funding agencies, at least within each jurisdiction, share reporting information so providers funded by several agencies would only be required to report once across their service function. For example, where the NIAA is the primary funder of a service provider that is also funded by DSS, the organisation would only report to the NIAA. It would be up to both the NIAA and DSS contract managers to ensure that information is shared between them to satisfy their individual performance reporting requirements.

A more relational approach to contracting can also help to reduce the burden of reporting for service providers and support a more meaningful assessment of the outcomes associated with service delivery. Under relational contracting, governments work collaboratively with service providers and communities to improve the quality of services, and ultimately the long-term outcomes of children and families (chapter 7). Regular interaction and visits to

the service provider and community would reduce the need for heavy compliance reporting. This would also support an informal approach to evaluation (discussed in the following section).

INFORMATION REQUEST 8.1

How could the reporting burden be reduced for service providers that receive multiple grants from different funding agencies? Should providers only have to report to one funding agency? For example, should a 'lead agency' receive a unified report covering all reporting obligations for the children and family services the provider has been funded for in that jurisdiction? What other options are there to reduce reporting burdens?

8.2 Evaluation of children and family services: an imperfect range of options

Community-level reporting of wellbeing outcomes (as discussed earlier and recommended in chapter 6) is needed to assess whether outcomes for children and families are getting better or worse. It is also necessary for identifying in which communities children and families may need extra support. But while such analysis provides a broad indication of the collective impact of the service *system* on outcomes, it does not identify which services and programs have been effective (or otherwise) in improving outcomes.

Community-level reporting of outcomes therefore needs to be supported by evaluations that seek to answer two broad questions.

- *Did the service or program make a difference?* (formal evaluation). That is, did the service have an impact on outcomes? Answering this question rigorously requires good data and statistical analysis to compare current outcomes against a counterfactual state (what outcomes would have been in the absence of the intervention). A related question is whether the benefits of the program justify the costs (which involves cost-benefit analysis).
- *Can the program be improved to achieve better outcomes?* (evaluation for learning). Answering this question involves less formal evaluation approaches that support learning by doing and improvement in service delivery over time. It focuses on the collection of basic quantitative data on inputs and outputs (and basic outcomes where feasible), and qualitative data from program participants to determine how the program is performing and should evolve to meet the needs of communities.

Both of these questions are important to better understand what works (and more specifically for whom and in what circumstances), and for assessing whether substantial government expenditures on children and family services are being used effectively to improve outcomes.

But it is not practical or feasible to formally evaluate all children and family services in detail. And as will be discussed in this section, 'gold standard' formal program evaluations that seek to quantify the impact of particular programs on outcomes are challenging and may not be informative for many children and family services in the Northern Territory. The challenges of attribution of program impacts on outcomes carries the risk that even the most rigorous evaluations may mislead.

The more practical and effective approach is to focus on how informal evaluations can be used to improve services over time. This requires evaluation to be embedded into funding and contracting of children and family services from the start, rather than as a separate process that occurs after a program has been in place for some time.

Formal evaluation to the highest standard is infeasible in many cases

Formal evaluations in social and health policy seek to measure quantitatively the causal impact of a 'treatment' (such as whether participation in Intensive Family Support Services led to improved outcomes for child safety) on a relevant population — this may be a demographic group (such as children), a school, or a whole community. There are many formal evaluation methods, such as randomised controlled trials (RCTs), discontinuity analysis, instrumental variables and propensity scoring. Usually, the average effect of the treatment on the treated population is compared with the effect on a suitably chosen 'control group', although more rigorous analysis attempts to understand why some treatments have an effect, on whom, and for how long. And sometimes an evaluation will capture variations in the intensity of services across the population, to examine the impacts of different service levels. (For example, this might be how many hours a service is offered to a family: weekly or monthly visits from the nurse, or half-day or full-day crèche.)

In an ideal world, a program would only be implemented after a well-designed formal evaluation had shown that the program had its desired impact. Of formal evaluation approaches, RCTs are often perceived to be the *best* technique for measuring treatment effects. (Though Deaton and Cartwright (2018) provide a note of caution on the use of RCTs.) In an RCT, a new program is implemented in a subset of the target population, randomly chosen, while the rest serve as a control group, as they do not receive the treatment. The measured outcome of the program is the difference between average outcomes in the treated and control groups. (For example, if the main outcome indicator is child protection substantiations, a key measure would be the difference in the average number of substantiations per child within each population group.)

When a new children or family service is introduced into the Northern Territory, an RCT could potentially be undertaken to assess its effectiveness. One option is to randomise across *individuals* — with some people randomly selected for treatment with others in the

community serving as a control. However, randomisation is challenging in small communities because:

- people from the control group are aware that they have been omitted from the program, and the mere existence of the program may alter their behaviour. Relatedly, people from the control group may share learnings with others in the community, which would reduce the measured difference between the groups
- families experiencing significant challenges and disengagement from support (who may be the target of the service) may be less willing to participate in the trial (if participation is voluntary). In contrast, people who are more motivated and predisposed to success may persuade the program provider to allow them to participate, leading to an overestimate of the program's effectiveness.

Individual randomisation is most reliable when participation is not optional, for example, when a program is run in a correctional facility, or when programs have a waiting list and new participants can be randomly selected from the waiting list and outcomes are compared to those still on the waiting list. Peer effects would also have to be minimal — a program such as youth engagement, in which youth are unlikely to participate if their friends cannot, is unlikely to suit a randomisation approach at the individual level.

The other option is to randomly select *communities* that will receive the new program, and compare them to control communities that are not selected. However, a significant obstacle to obtaining accurate estimates from a community-level RCT is the sheer number of interrelated programs and social services that exist in communities that affect children and family outcomes. This makes isolating impacts of a particular program very difficult (box 8.3). As Professor Deborah Cobb-Clark described in relation to Indigenous communities:

> At any one time, there is likely to be a myriad of interventions affecting the Indigenous population. This means that it is very difficult to evaluate any single program in a particular Indigenous community because a multitude of programs are being delivered simultaneously. If another Indigenous community is used as the counterfactual, it is certainly the case that the 'control' group is also treated – just with a different set of policies and programs. Therefore, standard evaluation techniques provide only an estimate of the marginal difference between one set of interventions and another set, many (indeed most) of which overlap. This is almost never the estimate we want, and in some cases, may not be interesting at all. (PC 2013, p. 86)

As a result of the multitude of interrelated services that have a bearing on outcomes for children and families, estimating the impact of individual services will inevitably be imprecise. This is because the mix of programs varies across communities, and thus any estimate will capture the average impact on outcomes given existing programs in these communities. That said, if the results of an RCT reveal strong positive (or negative) impacts across several communities, this is likely to be a reasonably reliable indicator of the impact of the service on outcomes. This could occur in situations where the program does not have a high degree of interrelatedness with other programs in the relevant communities and if the treated and untreated populations are reasonably large. But if the results suggest little or no

impact, this could simply be the result of confounding factors (and interrelated services) influencing outcomes.

There are also challenges associated with undertaking RCTs for *existing* services or programs. Removing critical services for individuals in communities that are in need of support raises significant ethical issues if there are no alternative services available to meet these needs. Where the existing service is introduced into other communities, it may be more feasible to undertake another type of formal evaluation (such as a 'pre-post' evaluation), although many of the precision issues associated with RCTs would still apply. (Pre-post evaluations attempt to measure impacts of an intervention by looking at outcome measures before and after the introduction of the intervention).

A pre-post evaluation would be most suitable for assessing the impact of a service when it has been introduced into a community with no major changes to the mix of other related services, or to the policy environment, during the evaluation period.

At the community level, pre-post evaluations may provide useful information on the incremental impact of the new project over and above other programs in the community. For example, if outcomes show no improvement after the introduction of a program, and this result is replicated across other communities, then it is likely that the program has no effect and should be carefully reviewed and potentially discontinued (after accounting for other factors that could be contributing to worsening outcomes in the community, such as worsening unemployment or overcrowding). Alternatively, where a program shows improvements in outcomes across several communities, its impact is likely to be beneficial (again, after accounting for other factors that could be influencing outcomes across all communities, such as the state of the economy).

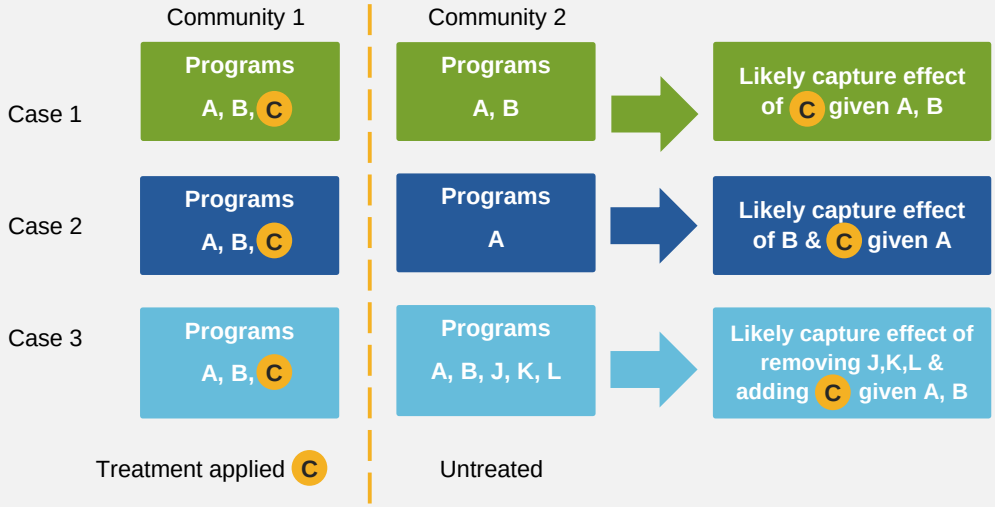
But these types of evaluations still require timely and relevant data at the community level, both on outcomes and existing services — data on both of these factors is currently incomplete (but would be supported by draft recommendation 3.2 (a public children and family service list) and draft recommendation 6.3 (better data on outcomes for children and families at the community level)). Further, this type of evaluation is only informative if there are no significant changes to related policies or programs during this period; otherwise, the measured effect is capturing the effect of the program plus these changes. This is a high bar and difficult to achieve unless programs and services are stable over reasonably long periods, which would be supported by longer contracting (draft recommendation 7.1).

Other practical challenges to the evaluation of family and children programs relate to the small size of some communities, and ethical issues associated with evaluating programs that involve preventing harm to children (box 8.4).

Box 8.3 Evaluation in the presence of multiple programs

Each community has a different mix of children and family programs, and this assignment is generally not random. As the number of interrelated programs in a community increases, the more difficult it is to evaluate the incremental (also known as marginal) impact of a single program, both within a community and across communities with different service profiles.

Consider for example a matched-sample evaluation, in which each community that receives a new program (C) is matched with a community with a similar profile, for comparison. If two communities with similar profiles were receiving the same set of programs (A, B), there may be the potential to accurately estimate the incremental benefit of a new program (C) introduced in one of these communities (the 'treated' community) (case 1 below). But because the mix of programs generally varies by community, it is difficult to isolate the incremental benefit in different communities. For example, in the second case below, the incremental effect of the new program will be difficult to isolate from the interrelated effects of existing program B in the treated community. The reality is that the sheer number of programs impacting different communities makes this task very difficult.



This issue affects all formal evaluation techniques. RCTs compare the average outcome in the treated communities with the average outcome in untreated communities; in the example above, averaging across the three Community 1 cases, to compare to the average of Community 2 cases. Thus, the treatment effect measures the incremental effect of the new program over the mix of programs, which is likely to be different across the two groups. This makes the estimate of the effect of (C) very variable.

In a pre-post evaluation, the community at the start of the program is compared to the community after the program has run for several years. The effect on outcomes of the new program (C) captures the incremental effect of the program over the set of programs that were running (A,B) (Case 1 above), so long as there was no change in the set of other programs during this time. But if a program was added, the situation is akin to Case 2, and if programs were discontinued, the situation is akin to Case 3.

A final challenge is that other programs are not randomly assigned. If programs are assigned roughly according to need, then areas with more programs will have worse outcomes overall, and possibly worse responsiveness to new programs. Thus, the evaluation would incorrectly estimate a low impact of the new program when paired with the full suite of other programs.

Government evaluation frameworks for children and family services

The significant challenges of assessing whether particular interventions are having an impact on outcomes is a barrier to undertaking evaluations, and is likely to have contributed to the lack of systematic and useful evaluations for children and family services. To improve evaluation practice, some government departments have taken steps to establish evaluation frameworks (box 8.5). For example, the NIAA's IAS evaluation framework (developed in 2018) aims to ensure evaluations are aimed at improving outcomes and requires the integration of evaluation into the design of all new or refreshed policies and programs (PM&C 2018c). DSS also seeks to embed evaluation into service design and delivery by providing support for providers to develop program logic and evaluation expertise, through the Australian Institute of Family Studies Expert Panel Project (AIFS 2019b). And Territory Families has commissioned the Menzies School of Health Research to develop a family support monitoring and evaluation framework (NT Government 2018f, p. 29).

An evaluation approach that supports improvement in service delivery

Although evaluating the impact of individual interventions is highly challenging, evaluation can still be used to support improvement in service outcomes. The solutions to dealing with complex social problems, such as child harm, are not always known in advance. They may need to be adapted over time through learning by doing and feedback from users and communities.

A fit-for-purpose and flexible evaluation approach needs to be embedded into service delivery from the start, to support continuous improvement in services over time. Developmental evaluation is one approach that can be used to evaluate programs addressing complex social issues, such as child harm, where solutions are not known and programs need to be fluid and flexible. It is a structured approach to monitoring, assessing and providing feedback on the development of a program while it is being designed or modified (box 8.6).

Box 8.4 Other challenges in evaluating children and family programs

There are challenges in evaluating children and family services in the Northern Territory.

- Small size of communities — given the small number of program participants in smaller communities, outcomes will be much more variable because of differences in individual traits, and the estimate of the program effect will be more imprecise. (The program outcome when 5000 people are participating in a program in a location is not shaped by individual characteristics; but it is when only 15 people are participating.) Likewise, program participants in a small program are likely to have much more personal interaction with the individual providing the service; thus the outcome will be strongly affected by the traits of the individual provider. (For example, the Commission received different feedback on Families as First Teachers in different communities, presumably because of the differing abilities of staff members leading the program in each community.) Finally, randomisation across the small number of communities in the Northern Territory also suffers from the small size problem: communities may be different because of hard-to-observe features such as the strength of their cultural ties or their governance structures.
- Capacity constraints — undertaking data collection to measure complex outcomes (such as preventative services), for example by using surveys, requires a level of expertise that may not be readily available, and it is common that consultants may be required to undertake evaluations, which increases the cost. According to Australian Institute of Family Studies (2019b), depending on the level of support required, engaging consultants can range from under $5000 (for expert advice involving 2 to 3 days of work) to between $100 000 to $150 000 (for expertise on long-term and complex projects). Developing surveys that are culturally appropriate and meaningful to the community may also require additional skills or cultural capabilities.
- Evaluating children — ethical issues can arise when evaluating the outcomes of a vulnerable cohort. Conducting randomised controlled trials on children services may not be appropriate as the design of the evaluation involves some cohort of children not receiving the intervention. There are also potential issues with more complex forms of data collection on more sensitive cases, for example following an incidence of child harm, when people may feel uncomfortable providing information to an external party (particularly government).
- Evaluating in remote and Indigenous communities — mainstream evaluation methods or approaches may not be appropriate or meaningful for the evaluation of programs aimed at Aboriginal and Torres Strait Islander peoples. Community engagement may be required to identify some of the outcomes that are important to the community. And some important outcomes may not be quantifiable. For instance, one researcher noted that:

  > … it is known anecdotally in Alice Springs that some Aboriginal Australians who could benefit from kidney dialysis treatment prefer, instead, to go back to their community to be on country. While this can be detrimental to their physical health, it has important cultural significance for them. (Carey 2017)

Box 8.5 Commonwealth and NT Government evaluation frameworks

Both the Commonwealth and NT Governments have in place frameworks that seek to support evaluation of the children and family services they fund.

NT Government evaluation framework

In 2017-18, as part of its response to the Royal Commission into the Protection and Detention of Children in the Northern Territory:

> … Territory Families entered into a four year funding agreement with the Menzies School of Health Research to identify and conduct early intervention research and deliver a family support system monitoring and evaluation framework … Menzies has been researching factors influencing contact with the child protection system for children from birth to five and early pathways impacting on school learning. (NT Government 2018f, p. 29)

Department of Social Services (DSS) evaluation framework

DSS does not have an evaluation framework that specifically applies to its Children and Families program, but it has established capacity building through its funding of the Australian Institute of Family Studies (AIFS) Expert Panel Project. AIFS provides program logic and evaluation expertise and support to service providers to help them build a stronger evidence base for their funded programs. Through its website, AIFS also provides information and evidence for the development and evaluation of children and family services. Engagement with AIFS and the Expert Panel is strengthened through DSS setting evaluation requirements for service providers to receive funding through their Communities for Children program (chapter 5).

National Indigenous Australians Agency (NIAA) evaluation framework

In 2017, the Minister for Indigenous Affairs announced funding of $40 million over four years from 2017-18 to strengthen IAS evaluation (ANAO 2019b, p. 7). In 2018, the Department of the Prime Minister and Cabinet released an IAS evaluation framework, which described high-level principles for how evaluations of IAS programs should be conducted, and outlined future capacity-building activities and broad governance arrangements. As part of this process, the NIAA has published an annual work plan of evaluations (PM&C 2018a). To develop these work plans, the NIAA catalogued existing evaluation activities, and conducted a 'bottom-up' process to identify new activities. According to the ANAO, this involved three steps:

- the evaluation branch of the NIAA consulting other areas of the agency to identify and develop evaluation proposals
- the branch assessing the technical merit, significance, contribution and risk for submitted proposals
- oversight bodies, such as an Independent Evaluation Committee and the Executive Board of the NIAA considering and endorsing the draft plan (ANAO 2019b, pp. 33, 38).

Box 8.6 **Developmental evaluation**

Developmental evaluation focuses on adaptive development of a program or service (Patton, McKegg and Wehipeihana 2016, p. 4). It is an evaluation method used to get timely feedback on a program's development as it is being designed or modified; that is, where inputs, activities and outputs may not yet be known, or may be in a state of flux (Child Family Community Australia 2018).

According to Dozios, Laglois and Blanchet, developmental evaluation differs from traditional forms of evaluation in several key ways.

- The primary focus is on adaptive learning rather than accountability to an external authority
- The purpose is to provide real-time feedback and generate learnings to inform development
- The evaluator is embedded in the initiative as a member of the team
- The role extends well beyond data collection and analysis; the evaluator actively intervenes to shape the course of development, helping to inform decision-making and facilitate learning
- The evaluation is designed to capture system dynamics and surface innovative strategies and ideas
- The approach is flexible, with new measures and monitoring mechanisms evolving as understanding of the situation deepens and the initiative's goals emerge … (2010, p. 14)

A developmental evaluation helps inform how the program should adapt to: changing contexts and clientele (which comes with the territory in a complex dynamic environment); significant changes brought about by program learnings; or as a creative, innovative alternative to a persistent issue or challenge (Patton, McKegg and Wehipeihana 2016, pp. 4–5). As an example, when looking to increase levels of community engagement with schools, to support education outcomes for vulnerable populations, a developmental evaluation approach may help to better define the nature of the partnerships required, and interim outcomes of the program as it is being implemented. Without feedback from the target community on the strategies and outcomes that are meaningful to them, these outcomes would be difficult to predetermine, and moreover serve to further disempower the targeted population (Patton 1994, p. 314).

A developmental evaluation was undertaken for Sport New Zealand of the He Oranga Poutama program, an initiative that supports Māori wellbeing through sport and recreation. The developmental evaluation approach was undertaken as the program evolved from focusing on increasing participation by Māori in sport to one of participating and leading as Māori in sport and traditional physical recreation at community level. The change in program complexity and the need to draw on an Indigenous body of knowledge and methodological traditions meant the evaluation approach needed to 'be sensitive to, take account of and "fit" the uniquely Māori context within which He Oranga Poutama operates at a community level, as well as meeting the program and organisational learning and accountability needs of Sport New Zealand' (McKegg et al. 2012, p. 11).

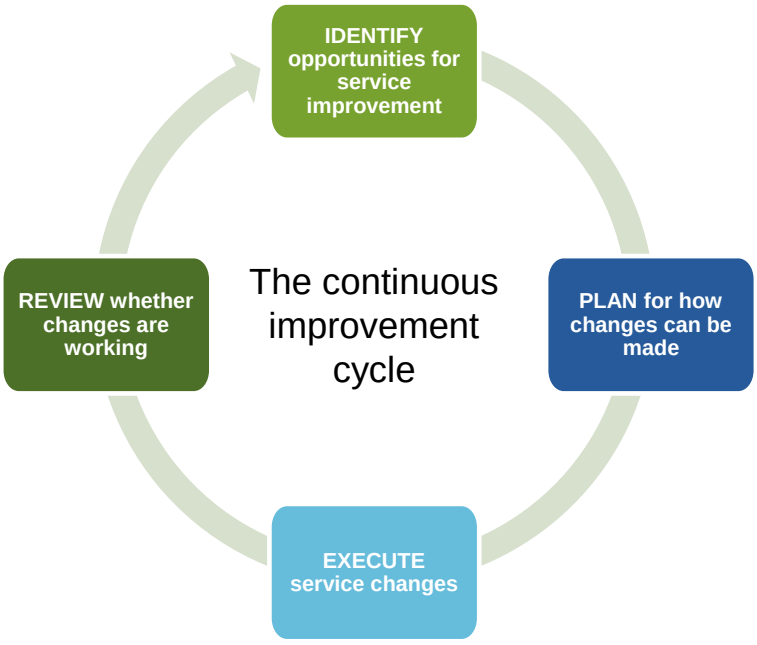
But developmental evaluation is just one approach and it may not suit all situations (for example, for services or programs that are well established and have a strong evidence base). That said, there are some essential elements to an effective, continuous-improvement evaluation approach for children and family services. This involves:

- the development of a 'program logic' that identifies how the service or activity will lead to change (that is, how inputs and outputs are expected to influence a child or family outcome)

- monitoring and collection of data (basic input and output metrics) to support ongoing assessment of how well the service is working (such as attendance rates)
- periodic surveys that seek to understand users' experience and community views on the functioning of the service and how it could be improved, together with additional data collection that might help provide more specific input or output metrics of relevance to the particular service under review.

Each of these should be undertaken as part of an iterative process of continuous improvement (figure 8.2). As services evolve through the process, they would become tailored to the specific circumstances of a community. Once a program is established, the only evidence available for more formal evaluation would be limited to community outcomes before the introduction of the program, being compared with average outcomes after the modified program has been running for some time. Comparisons to other similar communities are unlikely to be relevant, unless the program ends up taking a very similar form elsewhere.

Figure 8.2 **The continuous improvement cycle**



Source: Adapted from Planview LeanKit (2018).

Undertaking continuous improvement means that the evidence base will never be perfect: outcomes will be affected by the modifications made to the program as it evolves, so inference is difficult. But given the imperfections in any scientific approach to evaluation in this context, the gains from assessing and adapting programs to the local context are likely to be far greater (and the costs potentially lower than more formal quantitative approaches).

This is particularly so:

- in the Northern Territory context where, given heterogeneity of communities, research findings may not be replicable or transferable
- for children and family services, where it may take several years to see any significant effects. For example, for parenting programs that target parents with children aged 0-5 years to have an effect on reducing harm, many years may need to pass before a useful program evaluation can take place. But the later a program evaluation is undertaken, the more likely that confounding factors could arise.

Developing a program logic

Ideally, service providers and governments should be able to define how their intervention will reduce harm and increase the wellbeing of children and families. This involves defining relationships between activities (inputs and outputs) and desired outcomes, and is often referred to as a 'program logic' (box 8.7). A program logic is necessary to inform the design of how the service will work and what evaluation questions to ask. It gives an idea of what outcome metrics the provider and funder are targeting, such as reducing domestic violence, or increasing school attendance. These outcome metrics should be included in the funding contract and reported against periodically (at least annually) through the monitoring process (discussed below).

However, a precise program logic may not be able to be defined in advance of the service being trialled in a community, and this should not be a barrier for funding. As noted above, the exact design and required inputs to a service aimed at improving child safety and wellbeing may not always be known from the start. Thus, a program logic may need to be developed over time, and should be reviewed regularly (annually, or more often in the start-up phase of the service) to see if it is still an accurate representation of the service (AIFS 2019e).

Developing a program logic where the design of the service is uncertain would be part of the relational approach to contracting (chapter 7). Service providers and funders would work together to determine how the service can best be adapted (and what mix of inputs are needed) to influence outcomes (and redesign the service accordingly if required). This means that by the end of the minimum seven year funding term (draft recommendation 7.1), all service providers should have some proximate evidence of how their program is likely to influence the target outcome. For example, the program logic in a school lunch program might be to increase school attendance and improve child health. While many programs will be affecting school attendance, if the program can point to improved attendance among the children who receive school lunches, this is suggestive evidence that the program logic is sound.

Box 8.7 Defining how services connect to children and family outcomes

A program logic identifies how services and activities are intended to connect to the expected outcomes — that is, a theory for how an intervention will change behaviour. A number of factors are important:

- a clear distinction of outputs (what is delivered) from outcomes (what changes are caused)
- evidence that the activities should lead to the outcomes
- logical links between the short-term and the medium- and longer-term outcomes
- theory or evidence supporting those links (AIFS 2019e).

A program logic example template

Program objective: To support families ensure children reach appropriate developmental milestones

Problem statement	**Inputs**	**Outputs:** Activities	**Outputs:** Participation	**Short-term outcomes** 0-10 weeks	**Medium-term outcomes** 10 weeks-12 months	**Long-term outcomes** 12 months-7 years
Children are below the state average in meeting developmental milestones	Qualified and experienced staff and management Funding Partner organisations Research and evidence about what works Playgroup standards of practice Program resources Community centre with child-friendly spaces	Play-based activities Parenting workshops on varying topics Information and referrals provided to families	Families from low socio-economic backgrounds, including families with a history of engagement in the justice system Children aged 0-5 years	Parents increase skills and confidence to provide stimulating play activities for their child Increase social skills Parents increase their social networks Parents increase knowledge of developmental milestones Parents improve knowledge of support services	Parents more skilled and empowered to support child's development Improve parent/child relationships Improved child/child relationships Parents feel an increase in connection to community Parents access support services when needed	Children reach developmental milestones Parents are resourced and empowered to support children's cognitive, social and emotional development Family wellbeing is enhanced

Assumptions: Parents from target group will attend playgroup, playgroup activities will be engaging for parents and children, program will have low staff turnover, staff will participate and engage in training and other activities, partner organsiations will be involved.

External factors: Funding and contracts, other services available to children and families, research and evidence on playgroups, changing demographics of area.

Source: Australian Institute of Family Studies (2019e).

The role of monitoring and community and user surveys in evaluation

Ongoing and timely feedback is a necessary part of a continuous-improvement approach to evaluation. The monitoring activities that are undertaken as a matter of course for children and family services should work hand-in-hand with evaluation. But as mentioned above, current monitoring and reporting requirements are largely compliance focused, providing little useful information to communities or providers to support service improvements.

Useful monitoring would focus on the quality of the service and seek to assess service delivery outcomes. This would still involve some tracking of service inputs and outputs, with reference to the desired outcome the service is targeted at, but it would be for the purpose of facilitating improvement (not just for government compliance purposes). The monitoring would also be strongly supported by relational contracting. For example, basic input and output metrics, such as resources for the service (staff and facilities), reliability of service delivery, and attendance in the program, may need to be collected as this alerts both the provider and funder to the response to the program. If after a reasonable period of building up trust, a program still has very low attendance, it is likely that there is a flaw in the design of the service that may require some re-thinking and re-design. The provider and funder (through regional network staff and in consultation with the community) would work together to understand and resolve the problem.

As part of the evaluation process, the service provider would also undertake periodic surveys of community members (both service users and non-users) about their view of the service and suggested changes. Communities have knowledge about which services are effective, and what is needed; but the lack of effective consultation can mean that funding agencies do not always make use of this knowledge (chapter 5). Surveys would give a key role to community knowledge in shaping the delivery of services. Qualitative information from surveys are commonly used to supplement program administrative data in evaluation of children and family services in the Northern Territory, as seen in the evaluation of HIPPY (ACIL Allen Consulting 2018, p. 10), Forced Adoption Support Services (AHA 2018, p. 4) and the Remote School Attendance Strategy (PM&C 2018d, pp. 10–13), amongst others.

Surveys can also be a way of collecting community-level data, not only on users' experience of the service but also on outcome metrics that are most relevant to communities. The community should have a say in defining what outcomes are most important, including outcomes that are not amenable to precise measurement (chapter 6).

Given these main goals of the survey process, it may be appropriate for service providers to conduct the surveys, drawing on the provider's relationship with the community, and learning directly from community feedback. Under relational contracting, there are fewer concerns about allowing the provider to undertake informal evaluations of their own program. The provider is aware that under relational contracting, this data will be used to improve the service, rather than to terminate the contract when outcomes are unsatisfactory.

However, it is important that when surveying communities, particularly Indigenous communities, that the process includes establishing respectful relationships, and that the

research is of benefit to the people concerned, with findings shared (Muir and Dean 2017, pp. 4–5). In some instances, it may be more appropriate for a survey to be conducted by someone other than the service provider, particularly if the survey is seeking user and community views on multiple services. This would help to avoid overburdening families and community members. Over time, periodic surveys could also form part of the community planning process outlined in chapter 6.

Responses from surveys, and the collection and analysis of input and output metrics from the monitoring process, help to identify:

- services that are not having an impact (because no one is using them or where the community is dissatisfied with the service) and that may therefore need to be adapted (or potentially ceased)
- services that show good attendance and reported user satisfaction, but with suggestions from the community on specific aspects of the service that could be improved
- services that look to be promising or successful that should perhaps be expanded and evaluated more formally, using independent evaluations.

On the basis of survey responses and the collected input/output data, the provider may decide to trial a modification of the program. This modification would be developed in collaboration with regional staff of the funding agency (as part of relational contracting), and ideally with further input from the community.

DRAFT FINDING 8.2

Evaluation of children and family programs in the Northern Territory is challenging.

- Formal quantitative program evaluations of high scientific reliability (such as randomised controlled trials) will often not be informative for children and family services in the Northern Territory. This is because of the multifaceted factors that influence outcomes, the multiple programs simultaneously directed at affecting outcomes, and the rapid changes that can occur in the programs being delivered.
- Results of formal program evaluations (that seek to measure the impact of programs on outcomes) need to be interpreted carefully. Given that the mix of other programs varies by community in a non-random way, only rough conclusions about a program's impact can be drawn — precise magnitudes of impact cannot be estimated.
- Informal evaluation, embedded into the design and delivery of programs from the start, helps to facilitate learning by doing and continuous improvement. An informal evaluation approach (that employs monitoring and assessment of basic program metrics, including through the use of user surveys) is likely to be suited to many types of children and family services in the Northern Territory.

Supporting evaluation of children and family services

The evaluation approach described above may not be suitable in all situations (for example in urban settings where the service has been operating successfully for many years and where rigorous evaluations have been conducted). And it does not preclude the use of formal evaluations, such as RCTs or pre-post studies (where these are feasible). The approaches are complementary, and as noted above, informal evaluation can help to identify services or programs that could undergo more rigorous forms of evaluation, particularly where there may be scope for the service to be rolled out more broadly in other communities. The key consideration is that evaluations should be fit-for-purpose and proportionate, where decisions on what to evaluate are made on the basis of the particulars of a given program.

But at a minimum, a continuous improvement approach to monitoring and evaluation would apply where:

- the service lacks an existing, relevant and context specific evidence base (this may be more likely to apply to new services, but it may also apply to services that have been running for some time)
- the service is expected to be significantly adapted over time (for example because the service is targeting a particularly complex issue in a dynamic local environment, and where inputs and outputs of the service may not be known in advance).

The adoption of an informal evaluation approach does not mean that funding agencies would be absolved from evaluating their programs (at a regional, Territory-wide or national level). The findings from monitoring and informal evaluation of services at the community level should also inform evaluations by funding agencies of their associated program or policy. For example, service-level monitoring and evaluation may reveal that similar issues are being experienced across providers of the service in multiple communities. These issues may be caused by particular parameters of the program (or policy) set by the funding agency, suggesting a need for the funding agency to adapt its program guidelines. The key message here is that a culture of evaluation and learning by doing should permeate all aspects of the service system — both within funding agencies as well as by service providers. Both also have a role in sharing and disseminating evaluation findings (with each other and with communities) to further facilitate improvements.

The Commonwealth and NT Governments will need to adequately resource providers and government agencies to undertake monitoring and evaluation that supports continuous improvement. Such funding is not typically included within contracts for children and family services, an issue that was raised by a number of participants to this study (NTCOSS, sub. 18, p. 5; Save the Children Australia, sub. 30, p. 3). For example, the National Association for the Prevention of Child Abuse and Neglect noted that:

> … there has been a clear shift to fund evidence-based services but no commitment to fund services to be evaluated. The lack of funding made available to evaluate prevention programs currently operating in the NT and across Australia has been the biggest barrier to developing an evidence base of effective initiatives. … There would be great value in providing a component

> for evaluation in all prevention funding agreements and to provide access to evaluation resources, skills and support, particularly for smaller organisations. (sub. 19, p. 2)

Requirements for monitoring and evaluation should be embedded into service contracts (and appropriately resourced, including funding for periodic surveys). Governments should also prioritise and separately fund more formal, rigorous evaluations (such as pre-post studies) for programs or services that:

- involve a high level of expenditure and overall risk (accounting for the track record of the service and provider (such as previous evaluations and strength of monitoring), and/or that cover a large number of children and families
- have been introduced in communities where there have not been significant changes in policies or other programs (to enable reasonable attribution of the impact of the program on outcomes).

Existing evaluation frameworks at both the Commonwealth and NT Government levels (referred to earlier) could support the identification and prioritisation of more formal, rigorous evaluations of children and family services.

Finally, as discussed earlier, evaluation helps to identify what works and is a complement (but not a replacement) to regular monitoring and reporting on outcomes for children and families at the community level. Monitoring community-level wellbeing outcomes is necessary for understanding the collective impact of services on wellbeing outcomes (draft recommendation 6.3).

The ideas proposed in this chapter are intended to complement separate work being undertaken by the Productivity Commission to develop a whole-of-government Indigenous Evaluation Strategy, for policies and programs affecting Aboriginal and Torres Strait Islander people. As part of this strategy, the Commission has been asked to:

- establish a principles-based framework for the evaluation of policies and programs affecting Indigenous Australians
- identify priorities for evaluation
- set out its approach for reviewing agencies' conduct of evaluations against the strategy.

This work will also be highly relevant to the evaluation of children and family services and programs in the Northern Territory, and may be used to inform the final report for this study.

DRAFT RECOMMENDATION 8.1 **BUILDING THE EVIDENCE BASE THROUGH EVALUATION**

The Commonwealth and NT Governments should embed requirements (and appropriate resourcing) for monitoring and evaluation into contracts for children and family services where:

- the service lacks an existing, relevant and context-specific evidence base
- the service is expected to be adapted over time (for example, because the exact inputs and outputs of the program may not be known in advance).

At a minimum, funding should support the use of an evaluative approach that facilitates learning by doing and continuous improvement in services (draft finding 8.2). This should include funding to run periodic surveys that seek to understand user experience and community views on the functioning of the service and how it could be improved. This is an important complement to the collection and reporting of data on outcomes for children and families at the community level (draft recommendation 6.3).

Governments should prioritise and fund more formal, rigorous evaluations for programs or services that:

- involve a high level of expenditure and risk, or that cover a large number of children and families
- have been introduced in communities where there have not been significant changes in policies or other programs (to enable reasonable attribution of the impact of the program on outcomes).

9 The way forward

Key points

- The previous chapters of this draft report set out the case, and proposed reforms, for a fundamental shift in the way the Commonwealth and NT Governments work together, so that their expenditure decisions lead to better outcomes for children and families.
- Collectively, the reforms set out a way for governments to genuinely engage with communities, to come to a shared understanding of the issues their children and families face, and to jointly commit to solutions, with collective ownership of outcomes.
- Implementing the recommendations outlined in this draft report will be challenging but the challenges are not insurmountable. They will require leadership, collaboration and a long-term commitment from governments to make the necessary changes.
- A joint funding framework (intergovernmental agreement) between the Commonwealth and NT Governments would formalise and bolster the reforms. A funding framework should be agreed that at a minimum sets out a process for the Commonwealth and NT Governments to agree on what children and family services they will fund, and the institutional arrangements required to support this.
- But governments do not need to wait until a joint funding framework is in place to start changing how they fund, design and deliver children and family services. Governments could start implementing most of the reforms proposed in this draft report immediately.
- External oversight would help to embed an incentive for governments to remain committed to reform, and enable communities to more easily hold governments to account. The NT Children's Commissioner should be tasked with external oversight and public reporting against the reforms proposed in this draft report.

A new approach is needed for funding children and family services in the Northern Territory, to better target funding to the needs and priorities of communities and to reduce the fragmentation of service delivery. The recommendations throughout this draft report are intended to facilitate a public health approach to reducing harm to children in the Northern Territory, and to do so by using a community-based approach to delivering children and family services. A theme that underpins the suite of our draft recommendations is that protecting children is a shared responsibility — of families, communities and governments. To improve outcomes there needs to be more transparency (of expenditure data, services, and progress against outcomes) and a commitment for governments to coordinate and to be jointly accountable for outcomes.

In developing the draft recommendations in this report we sought to build on the recommendations of the *Royal Commission into the Protection and Detention of Children*

in the Northern Territory (the Royal Commission) — most of which the Commonwealth and NT Governments have expressed some form of support for.

This chapter sets out a way forward for implementing the Productivity Commission's draft recommendations, and begins with a summary of the reforms (section 9.1). It then provides some guidance on how a joint funding framework could support reform and formalise a process to coordinate Commonwealth and NT Governments funding of children and family services (section 9.2). The chapter concludes with a discussion of some of the challenges to implementation (section 9.3).

9.1 An overview of our draft recommendations

Our draft recommendations cover four priority areas (table 9.1).

1. *A cooperative approach to funding, underpinned by community plans* — the Commonwealth and NT Governments need to agree on a new way of working together. The new approach should include governments genuinely engaging with communities, to come to a shared understanding of the issues their children and families face, and to jointly commit to solutions, with collective ownership of outcomes. To put this new way of working into practice, a formal process to agree on funding for children and family services should be established. This process should be underpinned by better community-level data and community plans that identify service needs and priorities.
2. *A longer-term, collaborative approach to contracting service providers* — all relevant funders of children and family services in the Norther Territory should transition to longer-term funding contracts with service providers (a minimum of 7 years), and adopt a relational approach to managing contracts. This means working collaboratively with providers (in consultation with communities), focusing on outcomes, funding capital expenditures, and building the capacity of Aboriginal organisations to deliver services.
3. *Better data at the community level* — there is a need for the Commonwealth and NT Governments to improve their data collection, and to measure and publicly report on progress against wellbeing outcomes for children and families at the community level. This should be supported by monitoring and evaluation that uses community-level data and that facilitates learning-by-doing and continuous improvement in services.
4. *Stronger supporting institutions* — stronger institutions will be needed to support the above reform areas, including strengthening the role of the Children and Families Tripartite Forum (the Tripartite Forum) (to provide advice to governments on coordinated funding decisions), and a stronger role for regional staff to lead the development of community plans and to undertake relational contracting.

Table 9.1 **Draft recommendations**

Problems	*Causes*	*Draft recommendations*
Reform area 1: Coordinated funding underpinned by community plans		
Services are fragmented across places and providers, and collectively fail to meet the needs and priorities of children, families and communities. Communities have little say over what gets funded	• Lack of comprehensive assessment and identification of needs and priorities to inform funding decisions — governments not taking a place-based approach	• Development of community plans, driven by Commonwealth and NT Governments and in collaboration with each community to identify and prioritise areas of need (rec. 6.1) • Governments only fund services consistent with community plans (rec. 6.1)
	• Services imposed in a 'top-down' or supplier driven way, often with little community engagement in the planning, design and delivery of services	• As above, and community engagement during service delivery to build the evidence base and enable continuous improvement (rec. 8.1).
	• Inadequate coordination of funding decisions across government	• A new process for better coordinating funding between governments (rec. 6.1)
Lack of coordination on funding priorities between Commonwealth and NT Governments	• Overlapping and unclear roles of governments • Unclear links between policy objectives/outcomes/actions • Lack of data sharing and needs assessments	• Governments to work together (with advice from the Tripartite Forum) to share information and coordinate funding, and to pool funds in selected areas (rec. 6.1) (supported by a joint funding framework between the Commonwealth and NT Governments (rec. 9.1))
Reform area 2: Longer-term, more collaborative contracting of service providers		
Funding uncertainty for service providers inhibits planning, staff retention, and development of relationships with users	• Short grant funding periods (on average, 2–4 years) • Insufficient notice of when grants will be renewed or ceased	• Transition to longer-term funding (7+ years) using a more flexible, relational approach to contracting, which focuses on continuous improvement rather than short-term service outputs (rec 7.1, 7.3) • Rolling schedule of funding opportunities, with sufficient time for providers to apply and design appropriate services (rec 7.2)
Funding does not cover full costs of services, resulting in providers having to cobble funding together and manage multiple grants	• Individual grants often do not provide sufficient funding for full service provision due to: - restrictions on what funding can be used for (for instance, funding does not take full account of capital costs) - failure to account for higher costs in remote areas	• Funding contracts should take account of the full costs of service provision (rec. 7.1)
Competitive funding processes can disadvantage smaller local, Aboriginal organisations and discourage collaboration	• Disproportionate focus on short-term costs over long-term benefits • Community-based service providers have limited resources to compete against larger, non-Aboriginal NGOs	• Greater focus on provider characteristics in funding decisions, and grant agreements to incorporate requirements (where appropriate) and funding for partnerships with local Aboriginal organisations (rec 7.5)

(continued next page)

Table 9.1 (continued)

Problems	*Causes*	*Draft recommendations*
Reform area 3: Better and more transparent data at the community level		
The funding landscape for children and family services is opaque, making it difficult to assess current services	• Challenges with data availability, including: - inconsistent location data, which is not linked to specific towns or communities - inconsistent categorising of activities across departments	• Develop a common method for: - reporting location data (rec 3.1) - describing and categorising children and family services (rec 3.1) • Create and maintain a single public services list (rec 3.2)
Lack of oversight of how community outcomes are changing over time, or how service delivery is contributing to these outcomes	• Limited data are available on children and family outcomes by location on a consistent basis • The contribution of services to outcomes is not rigorously tracked	• Collect and report outcomes data for children and families at a community level (rec 6.3)
Performance reporting imposes burdens on service providers for limited visible benefit	• Multiple funders means multiple reporting requirements • Data is requested frequently and does not seem to be effectively used by agencies or fed back into agency-level performance reporting on outcomes	• Streamline reporting requirements across agencies and design reporting to inform and facilitate continuous improvement (info request 8.1) • Accountability generated through relational contracting (rec. 7.3)
Limited evidence of 'what works' for children and family services/activities in a Northern Territory and remote/Indigenous context	• Scope for continuous improvement constrained by prescriptive contracts and inadequate data collection • Limited use of evaluations • Cost of evaluation often borne by service providers with limited resources or capacity to undertake or commission evaluations	• Adopt a continuous-improvement approach to monitoring and evaluation - embed monitoring and evaluation in funding contracts (including funding for surveys) (rec 8.1) - government funders to prioritise more formal evaluations based on levels of risk and expenditure and where there have been no other significant policy changes in communities (rec 8.1)
Reform area 4. Stronger supporting institutions		
Poor coordination of government funding decisions	• Existing institutional structures are nascent, underutilised or patchy	• Expanded role for regional networks to lead development of community plans and undertake relational contracting (rec 7.4) • Role of Tripartite Forum to be expanded to provide advice to governments on funding allocation and funds pooling (rec 6.2)
Concerns about lack of progress and commitment to reforms by government	• Lack of transparency and accountability for reforms	• NT Children's Commissioner to monitor and publicly report on progress of reforms (rec 9.2)

Many of our draft recommendations can be implemented now, regardless of what funding coordination looks like at an intergovernmental level. It is not necessary for the suite of the recommendations to be adopted together. Incremental changes, for example transitioning to longer-term contracts, would be a material step forward. The adoption of a more relational

approach to working with service providers would provide additional benefits, by facilitating greater flexibility and continuous improvement of services so they align with changing community needs.

Over the longer term, support to build the capacity of Aboriginal organisations to deliver services to Aboriginal children and families could be expected to deliver benefits and improve funding outcomes.

A joint funding framework — as described in the following section — would help to bolster these reform efforts, but governments do not need to wait until such a framework is in place to start changing how they fund, design and deliver children and family services (indeed, reforms are already in train in some areas (section 9.3)). External oversight of the reforms by the NT Children's Commissioner would also help to maintain commitment to the reform process.

The reforms proposed in the draft report are not our final recommendations to governments as we are seeking feedback from the community on the proposed reforms before we finalise them. Submissions to this draft report are welcome by 20 December 2019, with the final report due to be sent to the Commonwealth and NT Governments by April 2020.

9.2 A joint funding framework to support the reforms

Together, the Commission's recommendations provide a way to better coordinate funding decisions, which could be formalised in an agreement between the Commonwealth and NT Governments. The Royal Commission recommended that governments 'establish a joint Commonwealth–Territory Co-ordinated Funding Framework, setting policies for an agreed approach to the planning, funding and delivery of services for families and children in the Northern Territory' (recommendation 39.5) (RCPDCNT 2017, vol. 3B, p. 281). Both the Commonwealth and NT Governments supported this recommendation. And the terms of reference for this study state that it will support the development of the funding framework.

The Royal Commission envisioned that the coordinated funding framework would provide an ongoing mechanism for consultation and coordination between governments in funding decision making. Box 9.1 provides a detailed list of elements that the Royal Commission saw the framework as eventually encompassing. The Royal Commission also saw the framework as an opportunity to better inform service and funding allocation processes to ensure they are aligned with the forthcoming ten-year *Generational Strategy for Families and Children in the Northern Territory*.

Box 9.1 The Royal Commission's view on a joint funding framework

The Joint Coordinated Funding Framework (the framework) should be informed by experience and the processes of the NT and Commonwealth Governments. The framework is intended to ensure coordinated cross-government and inter-departmental cooperation in overseeing the delivery of services for children and young people under the Strategy [*Generational Strategy for Families and Children in the Northern Territory*]. Once in place, the framework should inform all new funding agreements. The framework would:

- provide an ongoing mechanism for consultation and co-ordination between governments in funding decision making
- agree in so far as possible on policies which govern the funding of prevention and protection services in the Northern Territory, covering:
  - the evidence base for the service
  - service sustainability and capacity building
  - funding cycles and reporting and evaluation
  - data collection and provision
- better inform service and funding allocation processes to ensure they are aligned with the Strategy and appropriately targeted to meet demand.

The purpose of the framework is to:

- provide a process through which service providers and communities can contribute to service planning
- promote longer-term funding commitments, to improve recruitment and retention and provide certainty for staff
- better leverage resources across government departments through increased coordination
- reduce the complexity of funding arrangements for service providers
- improve data collection and evaluation to build an evidence base for service commissioning.

Source: RCPDCNT (2017, vol. 3B, pp. 263–4).

The joint funding framework could be used as the mechanism through which to agree, and include provisions on, many of the recommendations proposed in this draft report, in particular:

- the process by which governments will formally agree on how they will coordinate funding (including any pooling of funds) in line with the needs and priorities of children and families, informed by community plans (draft recommendation 6.1)
- commitments to make greater use of data at the community level, which would support:
  - the development of community plans (draft recommendation 6.1)
  - tracking of outcomes for children and families at the community level (draft recommendation 6.3)
  - continuous monitoring and evaluation of service outcomes (draft recommendation 8.1)

- principles for funding and contracting service providers, including:
  - a move to longer-term contracting and a relational approach to engaging with service providers (draft recommendations 7.1, 7.3)
  - criteria to guide the selection of providers and partnerships between Aboriginal and non-Aboriginal service providers (draft recommendation 7.5)
- supporting institutional arrangements for the above reforms, including an expanded role for the Tripartite Forum (draft recommendation 6.2) and for regional networks (draft recommendation 7.4).

That said, the framework itself should not be viewed as the enabler, or as a necessary precursor, to implementing the recommendations (as noted, most of the reforms can be implemented immediately, without a joint funding framework). Rather, the joint funding framework would be the place where reforms could be formalised and publicly documented, to aid in transparency and accountability of funding for children and family services.

What form should the funding framework take?

The precise form of the agreement will depend on several factors, including:

- whether it involves the Commonwealth making payments to the NT Government
- the way it relates to other intergovernmental agreements currently in place
- whether other parties (such as local decision making bodies or local government) are parties to the agreement.

Existing intergovernmental agreements demonstrate some possible forms (box 9.2). Coordination options that rely on formally pooled funding (whether across all locations, or for specific communities), or the transfer of funds from the Commonwealth to the NT Government, would likely need to come under some form of National Partnership. However, National Partnerships are intended to be time-limited to support specific reforms or projects (CoFFR 2015, p. 8), which would not suit the ongoing nature of a funding framework. Instead, a bilateral agreement may need to be considered.

A further option is signing one or more National Partnerships to complement an overarching intergovernmental agreement (that constitutes the joint funding framework). This would allow scope for the transfer of funding from the Commonwealth to the NT Government in specific areas, such as where the Commonwealth agrees to fund a service but it would be more efficient for the NT Government to deliver it (as already occurs for some services covered by the *National Partnership on Northern Territory Remote Aboriginal Investment*).

Box 9.2 What type of intergovernmental agreement?

Agreements where the Commonwealth directly transfers funds to the NT Government (to undertake agreed types of expenditure) fall under the *Intergovernmental Agreement on Federal Financial Relations* (IGAFFR), and can take the form of:

- National Agreements (multilateral agreements covering all States and Territories that are sometimes backed by funding support from the Commonwealth)
- National Partnerships (bilateral or multilateral agreements where Commonwealth payments are tied to being spent on agreed policies and projects).

Other agreements are also used outside the IGAFFR (in the absence of formal fiscal transfers from the Commonwealth to the NT Government). For example, bilateral agreements between the Commonwealth and States and Territories underpin the National Disability Insurance Scheme.

Regardless of what type of intergovernmental agreement is pursued, it should be an ongoing 'living' document that reflects the long-term objectives and outcomes both governments are striving to achieve. Time-dependent aspects could be included in schedules to the agreement, such that they can be updated as necessary without needing to re-open negotiations on the entire agreement. Detailed funding commitments (made in line with the process outlined in draft recommendation 6.1) could also be published as schedules.

Relationship with other agreements

The Royal Commission recommended that the coordinated funding framework 'cover the various Commonwealth and NT agreements to provide a unified, coherent and cohesive approach for child protection' (RCPDCNT 2017, vol. 3B, p. 263). It also saw the framework as building on existing National Partnership agreements and the *National Framework for Protecting Australia's Children 2009–2020*, and also stated that:

> Once in place, the Joint Co-ordinated Funding Framework should inform all new funding agreements and where long term funding agreements are still in place these should be amended to transition services over to agreements that align with the new framework. (RCPDCNT 2017, vol. 3B, p. 263)

The wide range of services that bear on outcomes for children and families necessitates cohesion across relevant agreements between the Commonwealth and Northern Territory. Achieving this is likely to be a difficult task given the broad range of services and funding arrangements they include. It may be particularly complex where existing agreements include detailed funding commitments or performance targets that differ to arrangements agreed to in the new funding framework. Whether this is the case depends on the specific content of the intergovernmental agreement, but it may arise for the:

- *National Partnership on Northern Territory Remote Aboriginal Investment (2015–2022)*, which provides Commonwealth funding for family support services, women's safe houses and enhanced policing capacity in remote areas (among other things), conditional on the NT Government meeting an agreed set of benchmarks and milestones

- *Agreement on Northern Territory Aboriginal Health and Wellbeing (2015–2020)*, under which the Commonwealth, NT Government and the Aboriginal Medical Services Alliance Northern Territory jointly agree on funding priorities for Aboriginal primary health, as facilitated by the NT Aboriginal Health Forum
- *National Partnership for Remote Housing Northern Territory (2019–2023)*, under which the Commonwealth funds the delivery of social housing in remote areas by the NT Government
- *Barkly Regional Deal*, a ten-year strategy under which the Commonwealth and NT Governments, and the Barkly Regional Council, fund a package of economic, social and cultural initiatives across the Barkly region of the Northern Territory (chapter 1).

It is a matter for the Commonwealth and NT Governments to determine where any inconsistencies arise in existing agreements, and whether these are best addressed by amending existing signed agreements. In any case, where existing arrangements come up for renewal, there is an opportunity to make them consistent with the coordinated funding framework for children and family services in the Northern Territory (and to explicitly reference this framework).

In particular, the *National Framework for Protecting Australia's Children* expires in 2020, with the Commonwealth Government having committed to developing a new, post-2020, National Framework (Australian Government 2018a, p. 11). This presents an opportunity for both the Commonwealth and NT Governments to contribute to a renewed national framework for children in parallel to the development of the (bilateral) joint funding framework. More ambitious would be moving some commitments or funding arrangements across to the new coordinated funding framework, such as some of the initiatives in the *National Partnership on Northern Territory Remote Aboriginal Investment*.

What does it mean for other States and Territories?

A coordinated funding framework between the Commonwealth and NT Governments does not require approval by other States and Territories, and as such there should be limited direct consequence for how the Commonwealth funds and/or delivers services in the other jurisdictions. However, a natural question arises as to whether the Northern Territory *should* be treated differently to the other States and Territories.

In changing its approach to children and family services in the Northern Territory, the Commonwealth Government faces the options of 'carving out' the Northern Territory from its existing programs, of making broader changes to those programs on a nationwide basis, or some combination of the two.

The funding framework presents an opportunity to demonstrate a new approach to service coordination and funding in the Northern Territory, which could be adopted in other jurisdictions (or for other policy areas) in the future. Conversely, there is scope for both the

Commonwealth and NT Governments to learn from policy innovation in the other States, and potentially incorporate new approaches into the funding framework over time.

DRAFT RECOMMENDATION 9.1 **AN AGREEMENT ON COORDINATED FUNDING**

The Commonwealth and NT Governments should negotiate an agreement for a coordinated funding framework for services relating to children and families in the Northern Territory.

This framework should include:

- the mechanism by which governments will agree on how they will coordinate funding (including any pooling of funds) in line with the needs and priorities of children and families, as outlined in community plans (as per draft recommendation 6.1)
- the institutional arrangements for enacting this coordination, including the role of the Children and Families Tripartite Forum and the NT Children's Commissioner (as per draft recommendations 6.1 and 9.2)
- a commitment to transition to longer-term contracting and a relational approach to engaging with service providers (as per draft recommendations 7.1 and 7.3)
- criteria to guide the selection of service providers and partnerships between Aboriginal and non-Aboriginal providers (as per draft recommendation 7.5)

The coordinated funding framework should be developed in consultation with the Children and Families Tripartite Forum and with community representatives in the Northern Territory.

9.3 Challenges of implementing reforms

The problems with funding arrangements in the Northern Territory identified in this report are consistent with many other reports and inquiries relating to child harm in the Northern Territory (box 9.3). The solutions proposed to address the problems have varied but in substance they are fundamentally the same — better coordination to reduce fragmentation of services, more investment to prevent harm to children, and much more community involvement in determining which services they receive and how these are delivered.

Yet there appears to be little enduring change to the outcome that matters most — keeping children safe and well. Governments are often quick to accept recommendations and announce reforms, but there is a tendency for true change to evaporate during the long and difficult process of implementation. This may reflect a context of fiscal pressures, administrative inertia, pushback from influential stakeholders, or simply the political and news cycles of the day.

Box 9.3 A long history of inquiries

There is a long history of inquiries that relate to child harm in the Northern Territory. The past decade or so has seen the *Little Children Are Sacred* report on the sexual abuse of children (BIPACSA 2007), the *Growing Them Strong, Together* report on the child protection system (BICPSNT 2010) and, most recently, the *Royal Commission into the Protection and Detention of Children in the Northern Territory* (RCPDCNT 2017). These sit alongside a history of landmark national inquiries that have touched on similar issues, including the *Royal Commission into Institutional Responses to Child Sexual Abuse* (2017), *Bringing Them Home: Report of the National Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from Their Families* (HREOC 1997) and the *Royal Commission into Aboriginal Deaths in Custody* (RCADC 1991).

Child protection and Indigenous policy are both notorious for being 'wicked' policy problems — those that are marked by complexity, uncertainty, and divergent values (Head 2008, p. 103). In the Northern Territory, both policy areas overlap to a much greater extent than elsewhere in Australia.

Tackling the challenges has proved incredibly difficult.

> Successive intervention, mimicking, criticism and purging of policy initiatives by a comparatively small number of external experts and politicians, removed from local interaction, implies the existence of higher-level knowledge. Yet the complexity and indeterminacies can be such that there may be no clear basis from which to design universal reforms. The policy practice nexus is heightened in remote Indigenous communities due to the complexity of the social problems and the state's multifarious institutional responses. Each new program exacerbates the complexity of the social problem it seeks to solve. In this unintended dynamic, solutions themselves become problems. (Moran 2016, p. 181)

Changing how governments deliver services and engage with communities will take leadership and commitment over an extended period.

There are some signs of positive change

Both the Commonwealth and NT Governments supported the vast majority of recommendations made by the Royal Commission, and have shown some signs that they are willing to change how they work with communities in the Northern Territory.

Following the Royal Commission, the NT Government announced a $230 million reform package — called *Safe, Thriving and Connected: Generational Change for Children and Families* — to implement the recommendations over a five-year period (NT Government 2018e). This included changes to the youth justice system and a commitment to establish 11 new Child and Family Centres (chapter 1). Around the same time, the NT Government introduced a new Local Decision Making policy, which would see the transfer of service delivery to Aboriginal communities, where possible, over 10 years (Gunner 2017).

Fewer recommendations were directed at the Commonwealth Government, most of which it supported in principle (Australian Government 2018b). Aside from commissioning this Productivity Commission study, the Government has yet to announce specific reforms in response to the Royal Commission, though it has indicated that the current study will help to inform further policy changes. That said, other changes are underway.

- In mid-2018, the Department of Social Services launched a consultation process to identify how it could improve the effectiveness of its investment for families and children across Australia, ahead of the expiry of many of its current grant agreements on 30 June 2020 (DSS 2018c). The outcomes of this consultation have not yet been announced.
- In mid-2019, Indigenous policy within the Commonwealth was transferred from the Department of the Prime Minister and Cabinet to a new National Indigenous Australians Agency, a move which the relevant Minister said 'represented a fundamental change in the way of doing business with Indigenous Australians' (Wyatt 2019).

There have been some early signs of success, including the NT Government's introduction of new processes and systems in the statutory child protection system and the signing of local decision making agreements with several communities across the Northern Territory (chapter 1). Work is underway on planning some of the new Child and Family Centres (chapter 4). And both governments worked together to establish the Children and Families Tripartite Forum and have started discussing what a Commonwealth–NT Government coordinated funding framework might look like (chapter 4).

However, in many areas the nature and extent of progress is less clear, and some participants in this study raised concerns about the reform process.

> The NT Government has engaged in extensive consultation regarding the implementation of the Royal Commission recommendations, and in particular regarding the associated law reform measures … However, the effectiveness of this extensive activity is questionable. One after another, implementation of key recommendations of the Royal Commission have been postponed, diluted or abandoned. (NT Legal Aid Commission, sub. 9, p. 2)

> It is concerning that the NT Government has delayed implementing key recommendations, including, for example with respect to closing the Don Dale Detention Centre. … The NT Government has also backtracked on initial early reforms. After implementing important changes to the *Youth Justice Act 2005* (NT) to incorporate Royal Commission recommendations, it subsequently rolled back key legislative safeguards, with retrospective application. (Law Council of Australia and Law Society Northern Territory, sub. 24, p. 9)

> [There is a] lack of clarity that exists in relation to the implementation of Royal Commission recommendations and the progress of the NT Government in this regard. Earlier in our submission we raised the confusion that exists in relation to which recommendations are being progressed by what Government department. (NAAJA, sub. 28, p. 18)

Other participants submitted that much of the new NT Government funding is earmarked for statutory services and IT infrastructure rather than preventive measures (Danila Dilba Health Service, sub. 22, p. 6), and that many of the policy changes announced after the Royal Commission were existing government priorities (Children's Ground, sub. 23, p. 17).

Implementation is complex and difficult

There is a general sense that many attempts to reform how governments deliver human services have been abandoned before their impacts on outcomes were known or could be measured. Research undertaken for the recent review of the Australian Public Service identified a tendency for successive governments to replace the programs of their predecessors — even when the initiatives are showing signs of promise — and a reluctance on the part of politicians and public servants to learn from doing for fear of the adverse public impact of failure (Althaus and McGregor 2019, p. 10). Some study participants also identified political cycles and changes in government ministers as factors that can compromise reforms (for example, Children's Ground, sub. 23).

The Royal Commission remarked that:

> The relationship between governments and the Aboriginal community has been a defining part of the Australian story … There have been numerous commitments to reset the relationship. This has generally followed an election and a change of government; a catastrophic event such as the death in custody of the young woman in the Swan Valley community; a government-initiated measure like the abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC); the Northern Territory Emergency Response (the Intervention); or the establishment and reporting of an inquiry. The creation of a government-selected advisory body or consultation process predictably follows, which then predictably dies a natural death at the next election where an incoming government continues the cycle and once more commits to resetting the relationship. This circularity of policy and approach has produced a generation who are both cynical and fatigued. (RCPDCNT 2017, vol. 1, pp. 256–247)

Why this should be so is one of the great intractable problems of public policy. Failure occurs at a system level, in spite of the many skilled and motivated people on the ground and within government. We have seen immense dedication in consulting for this study. The problems are structural, and much bigger than individual entities.

In a review of the implementation of previous inquiries relating to child harm (undertaken for the *Royal Commission into Institutional Responses to Child Sexual Abuse*), the Parenting Research Centre identified several major barriers to implementing reforms, including:

- practical constraints, including budgetary constraints, a lack of human resources, existing workloads and time constraints
- organisational culture, including resistance to change, lack of collaboration and a struggle to maintain a child focus
- structural constraints, including jurisdictional differences and the difficulty of effecting change across non-government organisations (Parenting Research Centre 2015, p. xvi).

Such challenges are likely to arise in the course of implementing the recommendations of the Royal Commission, as well the recommendations of this Productivity Commission study. Some of the practical challenges that will need to be worked through include:

- moving to different forms of contracting and engagement with service providers while existing contractual arrangements remain in place for several years into the future
- how to effectively fill gaps in service provision while maintaining continuity of services where funding arrangements are already in place
- responding to workforce issues, including shortages of staff, skills and worker accommodation in remote locations, especially in a context where it can take considerable time for local community members to be trained to deliver services.

Financial barriers may also appear. Many participants in this study identified a need for greater investment in prevention and early intervention, but this investment will need to be made without compromising the ability of the statutory child protection system to respond to the immediate demands being placed on it (AMSANT, sub. 20; Children's Ground, sub. 23; Danila Dilba Health Service, sub. 22). As the Royal Commission argued, the constant demands on the statutory system 'make a reactive and crisis driven approach almost inevitable' (RCPDCNT 2017, vol. 1, p. 30). Other participants explicitly called for an increase in the overall funding for children and family services in the Northern Territory (AMSANT, sub. 20; CAAC, sub. 25; NACCHO, sub. 21).

Barriers to change can be overcome

The challenges are complex but not insurmountable, particularly if tackled incrementally, starting with more transparency and better coordination between governments on what they are funding and how they commission and work with service providers.

In developing the recommendations in this draft report, the Commission has been mindful of the history of reforms to children and family services in the Northern Territory, and of how these reforms have affected families and communities. We have sought to build on existing institutional arrangements and, where possible, complement reform efforts already underway. Our proposed coordinated funding option (draft recommendation 6.1) can be implemented without the need for a fundamental realignment of responsibilities of each government. And several of our proposals draw on existing organisational architecture, including the Tripartite Forum and each governments' regional network (draft recommendations 6.1, 6.2, 7.3 and 7.4). Importantly, our recommendations are compatible with, and support, the NT Government's Local Decision Making policy, which seeks to transition government services and programs to community control.

Some of the recommendations in this report will also help to commit governments to a particular course of action, and make it harder (but not impossible) to renege on those commitments. Greater transparency over current expenditure and the needs and priorities of communities will make it harder for either government to withdraw funding or to avoid

bringing services up to a minimum level (draft recommendation 6.1). Introducing at least seven year contracts for service providers (draft recommendation 7.1) will make it difficult or costly to upend the service provision landscape mid-contract, though longer-term contracting will elevate the importance of good contract design and having robust relational contracting processes in place (draft recommendation 7.3). More strategic use of reporting, monitoring and evaluation (draft recommendation 8.1) will make it harder for governments to shift funding away from services with demonstrated effectiveness.

Other inquiries and reports have identified strategies that can help governments in the implementation journey (Parenting Research Centre 2015, pp. xv–xvi, 2016, pp. 8–9; QPC 2017a, pp. 242–250; RCPDCNT 2017, vol. 4, pp. 67–73). Three key themes emerge: leadership; building on strengths; and transparency. The Royal Commission drew particular attention to the importance of leadership in driving a move towards a public health approach.

> The shift to a public health approach will by necessity, entail a shift in how government undertakes its business, implementing flexible approaches to funding and contract design, fundamental changes in how it interacts with and responds to communities and families, then allowing this shift to inform policy, practice and workplace culture. At a fundamental level, this is a shift from doing things *to* communities, to working *with* them. Without leadership and the accountability that goes with it, this will not occur, or at the very least, will not be sustained. (RCPDCNT 2017, vol. 3B, p. 240)

In this context, leadership means a commitment to long-term reform within each government and a willingness to exercise courage, trust and patience.

There needs to be an explicit commitment to transparently report on the progress of reforms so that communities can hold governments to account — and to embed an incentive for governments to remain committed to reforms. As the Queensland Productivity Commission observed 'knowing that the reforms and agreements will be subject to independent oversight and public reporting from the outset will encourage communities and government to commit the necessary attention and resources to the reforms process' (QPC 2017b, p. 246).

The foundations of greater reporting and oversight of reforms are already in place. A Reform Management Office has been established to lead the reform program across the NT Government and report regularly on progress (NT Government 2018f). Further, in response to a recommendation of the Royal Commission, the NT Government has increased funding for its existing Children's Commissioner, with a commitment to replace this within three years with a new Commission for Children and Young People that has a broader suite of powers (NT Government 2018e).

The Royal Commission also identified a role for external oversight of reform progress. Specifically, it recommended that the new Commission for Children and Young People be tasked to monitor and report on the NT Government's implementation of the Royal Commission's recommendations and report annually to Parliament, for at least five years (RCPDCNT 2017, vol. 4, p. 72). The NT Government supported this recommendation in principle but it does not yet appear to have formally committed to providing these powers. This should be done as a priority, with its remit expanded to cover all relevant reforms the

NT Government has committed to, including those agreed to from this report. Where Commonwealth services or funding are involved, the Commonwealth Government should proactively assist the NT Children's Commissioner.

DRAFT RECOMMENDATION 9.2 **INDEPENDENT OVERSIGHT OF REFORMS**

The NT Government should task the NT Children's Commissioner (and its future replacement in the Commission for Children and Young People) with ongoing monitoring and public reporting on the progress of reforms to children and family services in the Northern Territory. This should include reporting annually on the progress of:

- implementation of the recommendations of the Royal Commission into the Protection and Detention of Children in the Northern Territory
- implementation of the recommendations of this Productivity Commission study.

Where Commonwealth services or funding are involved, the Commonwealth Government should proactively assist the NT Children's Commissioner.

A Public Consultation

The Commission has actively encouraged public participation in this study. This appendix outlines the consultation process undertaken and lists the organisations and individuals that have participated in this the study.

The consultation process was as follows:

- Following receipt of the terms of reference on 14 March 2019, an advertisement was placed in *The Australian* and *NT News* newspapers, and a circular was sent to identified interested parties.
- An issues paper and a one page summary document was released on 15 May 2019 to assist those wishing to make a written submission to the study. Following the release of the issues paper, 32 submissions were received (table A.1) and 1 comment was received (table A.2). The submissions and brief comment are available online at https://www.pc.gov.au/inquiries/current/nt-children/submissions.
- Consultations were held with the Commonwealth, State and Territory government agencies, service providers and their peak bodies, community representatives, academics and researchers (table A.3).
- As detailed in table A.4, a roundtable was held in Canberra on the 5 September 2019.
- The Commission welcomes further submissions to discuss the content of the draft report, including responses to the information requests and draft recommendations. Submissions are due by **20 December 2019**.

Table A.1 **Submissions**[a]

Participant	*Submission number*	
Aboriginal Medical Services Alliance NT (AMSANT)	20	#
Anglicare NT	8	
Bannister, Kathy	29	#
CatholicCare NT	7	
Central Australian Aboriginal Congress (CAAC)	25	#
Central Australian Youth Link-Up Service (CAYLUS) and Tangentyere Council	6	
Child Friendly Alice	16	
Children's Ground	23	#
Danila Dilba Health Service	22	
Department of Social Services (DSS)	26	
Dyer, Kathy	2	
Empowered Communities – NPY Region	15	
Hill, Royelene	10	
Hoar, Lauren	5	
James Bailey, Julie	14	
Katherine Isolated Children's Service (KICS)	3	*
Law Council of Australia and Law Society Northern Territory	24	
Local Government Association of the Northern Territory (LGANT)	27	
Marzocchi, Monique	1	#
National Aboriginal Community Controlled Health Organisation (NACCHO)	21	
National Association for Prevention of Child Abuse and Neglect (NAPCAN)	19	
National Mental Health Commission (NMHC)	17	
North Australian Aboriginal Justice Agency (NAAJA)	28	#
Northern Territory Council of Social Service (NTCOSS)	18	
Northern Territory Government (NT Government)	31	
Northern Territory Isolated Children's Parents' Association (NTICPA)	13	
Northern Territory Legal Aid Commission (NTLAC)	9	
Playgroup Association of the NT	12, 32	#
Royal Australian and New Zealand College of Psychiatrists (RANZCP)	11	
Save the Children Australia	30	#
The Smith Family	4	#

a An asterisk (*) indicates that the submission contains confidential material NOT available to the public. A hash (#) indicates that the submission includes attachments.

Table A.2 **Brief Comments**

Type of respondent	*Number of comments*
Government Sector	1

Table A.3 **Consultations**

Participant
Victoria
Australian Catholic University – Institute of Child Protection Studies
Australian Centre of Child Protection
Just Reinvest NSW
Save the Children Australia
Secretariat for National Aboriginal and Islander Child Care (SNAICC)
Victorian Government
Queensland
Create Foundation
Gooda, Mick
Hon White, Margaret AO
Prof. Moran, Mark
Queensland Government
Queensland Productivity Commission (QPC)
ACT
Australian Government Department of Finance
Australian Government Department of Social Services (DSS)
Australian Government Department of the Prime Minister and Cabinet (PM&C)
Australian Government The Treasury
Australian Institute of Health and Welfare (AIHW)
Australian National Audit Office (ANAO)
Australian Research Alliance for Children and Youth (ARACY)
National Aboriginal Community Controlled Health Organisation (NACCHO)
Northern Territory
Aboriginal Medical Services Alliance Northern Territory (AMSANT)
Aboriginal Peak Organisations NT (APO NT)
Aminjarrinja Enterprises Aboriginal Corporation
Anglicare NT
Catholic Care NT
Central Australian Aboriginal Congress (CAAC)
Central Australian Youth Link-Up Service (CAYLUS)
Central Desert Regional Council
Central Land Council (CLC)
Danila Dilba Health Service (DDHS)
East Arnhem Regional Coordination Group
Children and Families Tripartite Forum
East Arnhem Regional Council

(continued next page)

Table A.3 (continued)

Participant
Northern Territory (continued)
Groote Eylandt and Bickerton Island Enterprises (GEBIE)
Groote Eylandt Coordination Sub-Committee
Katherine Women's Information and Legal Service (KWILS)
Larrakia Nation Aboriginal Corporation
Laynhapuy Homelands Aboriginal Corporation
Local Government Association NT
Mikan Reference Group
Miwatj Health Aboriginal Corporation
National Association for Prevention of Child Abuse and Neglect (NAPCAN)
National Indigenous Australians Agency (NIAA)
National Indigenous Australians Agency (NIAA) – Regional Network Managers
Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council (NPY Women's Council)
North Australian Aboriginal Family Legal Service (NAAFLS)
North Australian Aboriginal Justice Agency (NAAJA)
Northern Territory Government – Reform Management Office
Northern Territory Government Department of Education (DoE)
Northern Territory Government Department of Health (DoH)
Northern Territory Government Department of Local Government, Housing and Community Development (DLGHCD)
Northern Territory Government Department of the Chief Minister (DCM) – Darwin
Northern Territory Government Department of the Chief Minister (DCM) – Big Rivers
Northern Territory Government Department of the Chief Minister (DCM) – East Arnhem
Northern Territory Council of Social Service (NTCOSS)
Office of the Children's Commissioner (OCC)
Red Cross NT
Relationships Australia
Rirratjingu Aboriginal Corporation
Save the Children Australia – Katherine Office
Secretariat for the Royal Commission into the Protection and Detention of Children in the Northern Territory
South32
Tangentyere Council
Territory Families
Territory Families – East Arnhem
The Smith Family
Children and Families Tripartite Forum
Warlpiri Youth Development Aboriginal Corporation (WYDAC)
Yothu Yindi Foundation
Yuendumu Child and Family Centre
Yuendumu Women's Centre Aboriginal Corporation (YWCAC)

Table A.4 **Roundtables**

Participants
5 September 2019 – Canberra
Australian Government Department of Health (DoH)
Australian Government Department of Education (DoE)
Australian Government Department of Social Services (DSS)
Northern Territory Government
National Indigenous Australians Agency (NIAA)

B Case study: a remote community in the central desert

Purpose of the case study

A detailed case study was undertaken to supplement the information and submissions provided to this study and to deliver practical insights into service delivery in a remote Aboriginal community in the central desert region of the Northern Territory.

This case study enabled us to develop a better understanding of the issues from the perspective of service providers and the people accessing those services. A Productivity Commission staff member conducted semi-structured interviews and information requests with four service providers and three community organisations (box B.1).

We would like to thank all of those people and organisations involved in the development of the case study.

Background on the case study community

This is a case study on children and family services in Yuendumu, a community 3.5 hours drive from Alice Springs in the central desert region of the Northern Territory. The community has about 760 residents; of whom about 250 are children (ABS 2017). The majority of the people in Yuendumu are Aboriginal people (about 86 per cent of the population), most of whom are Warlpiri people.

Until the first European contact in approximately 1826, the Warlpiri people lived off and managed the land using traditional knowledge. European miners and pastoral activities directly impacted the Warlpiri way of life (Brown et al. 2011, p. 25). The Yuendumu community has experienced several significant events, including the Coniston Station massacre in 1928, the Northern Territory 'Emergency Response' intervention in 2007, and the Northern Territory wide amalgamation of councils in 2008 (Brown et al. 2011, p. 25; Australian Government and NT Government 2011, p. 12). The Australian Human Rights Commission suggested that one of the implications of the amalgamation of community councils has been a loss of community control over service delivery and diminished capacity of communities to deliver on their priorities (AHRC 2012, p. 131).

Box B.1 Case study method

Yuendumu was chosen based on its population and service size, and the willingness of service providers to engage in this case study.

Respondents

The Commission interviewed four service providers (Warlpiri Youth Development Corporation, Wanta Aboriginal Corporation, Southern Tanami Kurdiji Indigenous Corporation and the Central Desert Regional Council) that are heavily involved in delivering services to strengthen children's wellbeing and prevent harm.

Staff of the primary school, Child and Family Centre and health clinic were also interviewed to provide their perspective of service delivery in the community and the impact that services are having for children and families.

Information has also been provided by the Central Land Council on behalf of the Granites Mine Affected Area Aboriginal Corporation and Warlpiri Education and Training Trust.

The information has not been attributed to parties or individuals to ensure anonymity.

Format

The case study was derived from semi-structured interviews with key stakeholders. Interviews were conducted face-to-face during an extended visit to the community. The main respondent from each of the service providers was a manager or key person delivering the service in that community.

The interviews were supported with information from a written set of questions regarding the specific services they deliver, desktop research and the results of the Commission's stocktake of expenditure (chapters 2 and 3).

Questions

The interviews were structured around the following questions:

- How do you assess the needs of the community?
- What are the strengths and weaknesses of current funding programs and was the community consulted in funding decisions?
- How are the services in the community coordinated?
- Is there sufficient access to services in the community and what are the barriers to accessing services?
- What are the requirements for reporting and evaluation of your programs and could these methods be improved?

Case studies

The case study summarises some of the key themes raised during our discussion with stakeholders. Elements of the case studies are also used throughout the report.

The Yuendumu community has led the development of several influential children and family initiatives, including:

- the Mt Theo Program, which began in 1994 as a community initiative to address the petrol sniffing crisis in Yuendumu and the surrounding areas (Preuss and Brown 2006, p. 190). The program removes young people at risk of petrol sniffing to detoxify at the Mt Theo station where they can seek treatment and guidance from elders (Stojanovski 1999, p. 3). Preuss and Brown (2006, p. 189) found that 'academics, politicians and journalists are increasingly citing Mt Theo as a 'best practice model' in preventing petrol sniffing'.
- the Marlpa Jungu Jintangka (Early Childhood Reference Group) advocated for the development and establishment of a Child and Family Centre in Yuendumu. The centre has been operating since 2016 as a hub for children and family services.

The community faces many of the same challenges as other communities with respect to how children and family services are coordinated and funded. There are 17 government-funded services and 19 services funded from land-use agreement income (box B.2). These services are delivered by six service providers (table B.1), with the majority of services provided by five local service providers: Warlpiri Youth Development Corporation (WYDAC); Wanta Aboriginal Corporation (Wanta); Southern Tanami Kurdiji Indigenous Corporation (STKIC); the Central Desert Regional Council (CDRC) and the Northern Territory Department of Education (DoE) via the Yuendumu School.

Box B.2 **Warlpiri land use agreements**

In 2003, the Warlpiri people consolidated various exploration and mining agreements into a single land use agreement with the Newmont Mining Corporation that allowed the mine to operate on Warlpiri land. As part of the agreement, Newmont Mining Corporation agreed to support Warlpiri people achieve their community development aspirations by:

- providing direct royalty payments to the Warlpiri Education and Training Trust (WETT) to support education and training initiatives in the Tanami communities of Yuendumu, Lajamanu, Willowra and Nyirrpi
- continuing to pay affected area compensation payments to the Granites Mine Affected Area Aboriginal Corporation (GMAAAC). Half of these payments are put into investments and the other half are used for community development projects (Australian Trade and Investment Commission 2018).

The spending decisions for both payments are decided by two separate governance groups that consists of people from the Tanami communities. Both WETT and GMAAAC have agency agreements with the Central Land Council to administer the funding and undertake contract management to oversee the projects. The income from WETT and GMAAAC is used to co-fund some services that are also funded by governments (table B.1), as well as providing sole funding for some community projects (such as the Yuendumu Men's and Women's Ceremony support projects and the designs and costings of the Yuendumu school improvement plan) and capital projects (such the Yuendumu Women's Museum and cultural infrastructure and the nature-based playground at the Child and Family Centre).

Some services are also delivered by visiting providers, but these have not been captured in the case study due to limited public records of these visits. The community also has a health clinic, pre-school, and primary and secondary schools that benefit the health and wellbeing of children and families.

Table B.1 **Children and family services available in Yuendumu**

Children and family services funded in 2018-19 [a, b]

Service category	*Commonwealth Government funded*	*NT Government funded*	*Funded by income from land use agreements*
Crime, justice and legal	• Community Safety Patrol (STKIC) • Mediation and Community Justice program (STKIC) • Strong and Resilient Communities Grant - Youth diversion support (WYDAC)		• Mediation and community justice program vehicle (STKIC)
Early childhood	• Long day care service (CDRC)	• Families as First Teachers (DoE) • Child and Family Centre Coordinator (DoE) • Family Support Centre Grant (DoE)	• Early childhood support fund for the Children and Families Centre (DoE)
Education	• Remote School Attendance Strategy (Wanta) • Menstrual health and hygiene education (WYDAC)[c]	• Co-funded Bilingual Resource Development Unit (DoE)	• Country visits and elder payments • Yuendumu school uniforms (DoE) • School vehicle (DoE) • Co-funded Bilingual Resource Development Unit (DoE) • Salary of the Yuendumu School Linguist (DoE) • Interstate excursions for students (DoE) • Assistance for children at boarding schools • Adult learning centre (WYDAC)[d]
Family support	• Intensive Family Support Services (WYDAC)		

(continued next page)

Table B.1 (continued)

Service category	*Commonwealth Government funded*	*NT Government funded*	*Funded by income from land use agreements*
Health and nutrition	• Co-funded school nutrition project (Mai Wiru Regional Store)		• NDIS community connector and vehicle loan (WYDAC) • Co-funded school nutrition project (DoE)
Mental health and substance misuse	• Mt Theo (WYDAC)[c] • Warra-Warra Kanyi Counselling and Mentoring Services (WYDAC)	• Improvement of youth facility at Mt Theo (WYDAC)	
Sport, recreation, culture and wellbeing	• Co-funded youth development and diversionary program including after school and holiday programs (WYDAC) • Tanami Girls Dance and Culture Camp (WYDAC)		• Co-funded youth development and diversionary program including after school and holiday programs (WYDAC) • First ceremony support project (Central Land Council) • Swimming pool operations (WYDAC) • Wanta Yuendumu program (Wanta) • After school and holiday programs (Wanta) • Yuendumu sports weekend (WYDAC) • Buses to support sports trips (WYDAC)

[a] The organisation that delivers the service (i.e. the funding recipient) is provided in brackets. [b] This table does not capture visiting services. [c] These programs are funded by the Central Australian Youth Link Up Service, which is a brokerage service largely funded by Commonwealth agencies. [d] This service is available for people aged 15 years and older.

Source: Unpublished information from Yuendumu service providers.

Case study results

Service providers and other organisations the Commission met with raised several key issues (elaborated on in the following sections) regarding the funding and provision of children and family services in Yuendumu. In particular, there were concerns that:

- needs are assessed on an ad hoc basis in the community. The main barrier to completing a needs assessment is a lack of data at the community level
- there is inadequate coordination between services being provided in the community and inadequate coordination between the different levels of government in deciding what services to fund

- the community had more awareness of (and access to) services provided locally compared to services from visiting providers, although local staffing shortages sometimes resulted in key services being temporarily closed
- governments are at times shifting the cost of funding children and family services onto non-government funding sources (principally, income from land use agreements)
- there is a high level of reporting required of service providers with little link to the desired outcomes.

Several ideas for improving outcomes in the community were offered, namely:

- the release of de-identified data at a community level to allow service providers to undertake needs identifications and to better respond to changes in the community
- creation of a service list to be available in the community that showed what services were available in the community and when they were available
- the development of a public visitors register that visitors would be required to fill out in advance of their visit to notify organisations and community members of their visit
- all levels of government should engage the community prior to making funding decisions and in designing services
- implementation of greater accountability for service providers by linking funding to the achievement of outcomes and delivery of the activity that has been funded.

Community needs

The identification of children and family needs within the community is done on an ad hoc basis, using several methods, including:

- a need is identified by the service provider's representative board which instructs the service provider to address the need
- staff of the service provider identified the need from their observations and experience delivering services in the community
- community or family members raised the need to service providers
- the government identified a need and approached service providers directly or through a competitive grant round to provide a service in the community. In cases where this has happened, for example the introduction of the Commonwealth Remote School Attendance Program or the Intensive Family Support Service, the service providers were unclear of how the government identified the need
- the board of Granites Mine Affected Area Aboriginal Corporation and Warlpiri Education and Training Trust directly funded service providers to deliver a service their board and community consultation identified.

Service providers highlighted the lack of available data as being a key reason for comprehensive needs analysis not being performed at a community level. Some providers would like access to de-identified police data (such as on the number of break ins) and health data (such as incidence of rheumatic heart conditions) at a community level to enable them to be more responsive to changes in community circumstances.

Service providers were supportive of the development of a whole of community needs analysis being conducted on a regular basis. There was a strong preference that the analysis should cover all needs, as without improvements to basic needs, such as food, income and housing, service providers thought there would be little benefit from targeting higher level needs, such as education and youth engagement services.

Providers cautioned that the data used in any analysis should be based on sufficiently long time periods (potentially four years) to more accurately reflect the community. Point in time data can be biased by fluctuations in behaviours and the transient nature of some of the population.

Particular gaps in service provision identified were mental health services, parental services, domestic violence services to support men to change their behaviour, and alcohol and drug support services.

Coordination of funding and service delivery

The parties consulted considered that there was little if any coordination between the funding agencies in deciding what services to fund in their community.

The organisations interviewed had seen no improvement in coordination between the Northern Territory and Commonwealth Governments since the *Royal Commission into the Protection and Detention of Children in the Northern Territory*.

Service providers considered that all levels of government should engage the community prior to making funding decisions and designing services.

There was also insufficient coordination between service providers in the community in providing and designing services. The coordination that does exist is informal and reliant on the relationships between the staff working for the service providers. But it was acknowledged that even this type of informal and ad hoc coordination can ultimately benefit clients through a more integrated approach to meeting their needs.

The reasons given by service providers for the lack of coordination between each other were client confidentiality, continual staff changes, competition for funding and insufficient time.

To improve coordination of services in the community some organisations suggested the creation of a service list for the community that would be available publically. A services list was expected to increase awareness of what other services are being provided in the

community and when they are available. This would enable better client referrals and reduce potential overlap.

Another complementary suggestion was to have one person in the community who would be employed to coordinate services, although this would need to be adequately resourced.

There were also concerns that each organisation in town had its own board (there are at least eleven separate boards in total) which was resulting in strain on board members having to attend multiple meetings. Anecdotal evidence was given that most board members sit on several boards and are attending up to five board meetings a week. Service providers were concerned that board members were exhausted and donating such a significant amount of time to boards while still working, and meeting cultural and family commitments.

There were two solutions suggested by service providers — either to have one board for the whole community or to have one designated session a month when all service providers would have to hold their board meeting. This was expected to reduce the burden on board members and to promote coordination between service providers, as many would be dealing with similar issues and board members could take a more holistic approach to providing recommendations across service providers. Any improvements to coordinating funding should also involve non-government funders, particularly those responsible for managing income from land use agreements.

Access to services

There were conflicting views regarding community members' knowledge of services being delivered by local service providers in the community. Some organisations thought that people had a good awareness of what services were available and when, others thought there was very little awareness, which would impact their access. The proposed services list (above) would also help to increase awareness of services available in the community if it was visible to community members.

There was also concern that people might not be accessing the most appropriate service for their needs. This was in part due to the lack of knowledge of service availability but also due to lack of information on the service type that best meets their particular needs. Service providers stated that clients would likely just access the first service provider they talked to rather than the service provider that offered the most appropriate service.

Service providers also raised the issue that they were unaware of what services, if any, clients were accessing from other service providers. This meant that if a client stopped using their service, the service provider would be unaware if the client was accessing assistance from another provider or whether they had simply stopped accessing the service.

There was consistent feedback that there was very little awareness of services provided by visiting service providers and therefore a view that people were not accessing those services. Anecdotal evidence was given about visiting service providers arriving hours or days late to

appointments and arriving in town without any notification to the community. One service provider suggested developing an online public services visitor register, which would be required to be filled out in advance, so local organisations and community members could be notified of the visit from drive-in-drive out/fly-in fly-out service providers. Such a system already exists for health-related visits, but not child and family services.

Another common barrier to access that was raised was that services would have to close temporarily due to staffing shortages. This meant that people could not access services for months at a time. Service providers found it very difficult to attract and retain staff in the community due to high levels of job related stress and remoteness. As an example, the domestic violence shelter had recently been closed in the community for several months due to staffing issues. Another example was the childcare service which was required to close for three months due to insufficient staffing. By the time it began operating again, another service provider was operating a similar service to meet the unmet need.

The co-location of service providers can also be a barrier to access if that colocation is between child protection and other services. Some community members are distrustful of child protection and are concerned that if they seek help from a service provider in the same location, child protection workers may be notified or intervene, as has occurred in this community in the past. Recently, the NT Government relocated its child protection service to the Child and Family Centre, without consulting the community or other service providers. This resulted in some community members feeling uncomfortable attending the facility. Some providers suggested that colocation of services should not occur without consultation with the community to ensure that it does not reduce access to other services.

Funding of services

There was concern that the significant amount of funding spent in the community was not achieving results or improving outcomes for children and families. There was a call for a higher level of accountability of service providers and for funding to be linked to achieving outcomes and delivery of the activity that has been funded.

To improve accountability, service providers called for greater transparency on what services governments are funding. There was a view that if the community and other local organisations could see what services all providers were funded to deliver they could more easily hold them to account to deliver those services.

Moreover, service providers noted that:

- competitive funding rounds resulted in barriers for coordination between service providers, because each is competing for a limited pool of funds and the same population of service users
- decision-makers did not consider which service provider would be the most appropriate to deliver the service. For example, a decision was made to fund two complementary youth diversionary services to be delivered by two different service providers.

Information regarding clients is not shared between service providers due to client confidentiality concerns. This funding decision was thought to reduce the effectiveness of both services.

There was also concern that because the community received income from land use agreements, governments were cost-shifting some of their responsibilities onto that funding. The primary example used was that the income from the land use agreements was used to fund bilingual education resources for the school as well as language teachers.

There is ambiguity over the ongoing funding responsibilities of the Child and Family Centre within the community, which reduces the accessibility and effectiveness of the facility and the services housed within in it (box B.3).

Reporting and evaluation of services

Service providers were frustrated by the significant level of reporting required by funding providers with very little clarity regarding what the reporting is used for. Service providers found that the reporting is centred around the number of employees and number of people using the service, rather than the desired outcome of the service.

There was also an issue of duplicative reporting requirements for projects funded by multiple funding providers. For example, if food for a program (such as a camp) is funded by one funding body, but the activity itself is funded by another funding body, the service provider has to report to both funders for the same program. This has not always been the case. Previous to the initiation of the Indigenous Advancement Strategy, service providers would produce one annual report and send the relevant parts to both funding bodies.

Concerns were raised that very little information was provided back to service providers by funding bodies regarding the collation of reporting information. Service providers indicated it would be useful to receive best practice approaches or innovations that have been successful in comparable communities.

Box B.3 Operationalising the Child and Family Centre

The community has a Child and Family Centre that was designed by the NT and Commonwealth Governments in consultation with the community as an asset that the community could use to house children and family services and be a safe haven for children and families (PM&C 2016).

The Child and Family Centre was constructed in 2016 from Commonwealth Government funding through the National Partnership Agreement on Indigenous Early Childhood Development (COAG 2008, p. 13; Ellis and Lawrie 2018). Since this time the NT Government (through its Education Department) has managed the operational funding of the Child and Family Centre (SNAICC 2018, p. 11). Income from land use agreements has also been used to fund a nature-based playground at the Child and Family Centre.

The Child and Family Centre currently has five services operating from the centre: Child care, Families as First Teachers, Territory Families Child Protection Workers, Warra-Warra Kanyi Counselling and Mentoring Services and visiting health professionals. An Early Childhood Reference Group provides guidance to the manager of the Child and Family Centre regarding the services in the centre and ideas for improving the wellbeing of children in the community.

Although there are good intentions and collaboration between service providers, several issues were raised during consultations for this case study including:

- the service providers using the Child and Family Centre have not been provided with a lease or Memorandum of Understanding regarding their use of the facilities. This has meant that there is no clear understanding of who is responsible for maintenance or utility bills. The service providers and the manager of the centre have been working with the NT Department of Education to rectify the issue for three years but this issue has not yet been resolved.
- due to ambiguity regarding operational expenses, some maintenance issues (such as broken windows) have gone unresolved for significant periods. There is also some concern that because the entrance to the centre is via the main street, that some people are unwilling to access the services and supports available. One of the service providers has funding available to install a less visible door at the back of the Child and Family Centre, but has not been able to install it due to confusion over the necessary approvals process.
- the previous Child and Family Centre manager had approved for Territory Families, family support services to operate out of the Child and Family Centre. When Territory Families recently merged their operations, the child protection staff commenced operating out of the facility. There is a perception from some people in the community that the presence of these workers has made some families unwilling to visit the facility due to the perceived threat of child protection intervening.

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