

STRATEGIC PLAN FOR FUNDING THE DEVELOPMENT OF THE ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITY-CONTROLLED SECTOR

PURPOSE OF THE STRATEGIC PLAN

This Strategic Plan has been developed to guide investment decisions and ensure maximum impact of funding provided by Australian Governments to support the development of the Aboriginal and Torres Strait Islander community-controlled sector. It has been agreed by the Joint Council on Closing the Gap.

Building strong formal Aboriginal and Torres Strait Islander community-controlled service sectors is a Priority Reform under the National Agreement on Closing the Gap (Priority Reform Two).

Aboriginal and Torres Strait Islander community-controlled services can achieve better results, employ more Aboriginal and Torres Strait Islander people and are often preferred over mainstream services.

The National Agreement identifies that strong sectors have:

- Sustained capacity building and investment
- A dedicated and identified Aboriginal and Torres Strait Islander workforce
- Support from a Peak Body (governed by a majority Aboriginal and Torres Strait Islander Board)
- A dedicated, reliable and consistent funding model.

This Strategic Plan seeks to deliver on the principles and priorities set out in the National Agreement on Closing the Gap (National Agreement).

SCOPE OF STRATEGIC PLAN

This Strategic Plan provides a high-level overview of how governments, working in partnership with the Coalition of Peaks, determine investment priorities for each of the priority service sectors and across the funding streams identified in the National Agreement and below.

This Strategic Plan does not extend to the details of how governments decide and administer funding, including organisational risk assessments and grant management frameworks. These are matters for each jurisdiction and typically are set out in **procurement, grant or program guidelines**. Jurisdictions retain decision-making authority for the use of funds they allocate to the virtual funding pool. For transparency, governments should incorporate this Strategic Plan into any program guidelines developed for funding to strengthen the Aboriginal and Torres Strait Islander community-controlled sector.

This Strategic Plan is connected to – but does not provide a substitute for – **Sector Strengthening Plans**. Clause 49 of the National Agreement on Closing the Gap requires the

Parties develop a Sector Strengthening Plan for each nominated sector. These will identify a comprehensive set of measures to build the capability of the sector, in line with the strong sector elements. The investment priorities set out in this Strategic Plan will also be described in Sector Strengthening Plans. Sector Strengthening Plans will be developed concurrently with the roll-out of this funding program. Funding can be allocated and distributed prior to completion of the Sector Strengthening Plans.

This Strategic Plan does not specify funding recipients, the approach to allocating funding (procurement or grants), the timing, proportion or amount of funding to be allocated to different priorities, nor does it commit jurisdictions to funding all the priorities identified.

This Strategic Plan is for publication on the Closing the Gap website following endorsement by Joint Council, and will be updated as additional sectors and funding priorities are identified. The Strategic Plan remains in place for the life of the National Agreement on Closing the Gap, or until otherwise agreed by Joint Council.

ALLOCATION OF FUNDS

All government parties were asked to contribute funding towards the development of the community-controlled sector. Current funding commitments are as follows (over four years from 2020/21):

- Commonwealth: \$46.5 million
- New South Wales: \$7.4 million
- Victoria: \$3.3 million
- Queensland: \$9.3 million
- ACT: \$0.8 million
- Tasmania: \$1.2 million
- South Australia: \$3.3 million
- Northern Territory: \$2 million

States and territories will allocate their funds within their own jurisdiction, in line with this Strategic Plan.

The Commonwealth will allocate its funding to the recommended areas for development identified in the Strategic Plan, including national and cross-jurisdictional or multi-jurisdictional priorities. The Commonwealth will not fund states and territories directly.

PRIORITY AREAS

Initially, funding will be allocated to each of the four priority sectors identified in the National Agreement under Priority Reform Two. These sectors are:

- Early childhood care and development
- Housing
- Health
- Disability

Subsequently, the Partnership Working Group (PWG) will consider any strengthening investment priorities in sectors identified as policy priority areas for joined up action under Priority Reform One (and not also listed as priority sectors under Priority Reform Two). These are:

- Justice
- Social and emotional wellbeing
- Aboriginal and Torres Strait Islander languages

Further sectors may be identified by Partnership Working Group for endorsement by Joint Council across the life of the National Agreement, to further support implementation of Priority Reform Two.

STRATEGIC APPROACH

Funds will be allocated to develop the community-controlled sectors listed under Priority Reform Two above, and any additional sectors agreed by the Joint Council.

The Joint Council is responsible for determining priorities for investment in each priority service sector. Some areas for investment will be national; others will be in one or more jurisdiction.

It is anticipated that governments will then make funding decisions in a nationally consistent manner to maximise the impact of the funding and ensure the investments support sustainability.

To guide the Joint Council in their decision-making, the Partnership Working Group has undertaken an assessment of needs in each priority sector, in each jurisdiction. The jurisdictional needs assessments will inform an overarching national picture of the community-controlled sector.

Where priority areas for investment are identified as applying across multiple jurisdictions, relevant jurisdictions will work together and in partnership with the Coalition of Peaks to identify a nationally coherent, joined up approach to investment.

Detailed funding proposals will be developed by governments in partnership with local communities and local and regional Aboriginal and Torres Strait Islander organisations, including members of the Coalition of Peaks – and in line with the relevant program and grant guidelines in each jurisdiction.

Jurisdictions will make final funding decisions taking into account the value for money offered by the funding proposal, organisational risk profile, community input and other relevant considerations as specified in their grant and program guidelines.

Summary of steps:

1. PWG workshop undertakes needs assessment to determine baseline capability of the sector
2. Joint Council determines investment priorities
3. PWG workshop to identify actions in response to those priorities that will ensure national consistency and sustainability
4. Relevant jurisdictions and the Coalition of Peaks identify a joined up approach to investment in areas identified as applying across jurisdictions
5. Jurisdictions develop detailed funding proposals with local communities and local and regional Aboriginal and Torres Strait Islander organisations, including members of the Coalition of Peaks
6. Jurisdictional decision-making to make final funding decision.

The current list of funding priorities identified by Joint Council can be found at Schedule A.

OVERARCHING PRINCIPLES

To further support implementation of the strong sector elements from Priority Reform 2 of the National Agreement in the rollout of this Strategic Plan, all Parties agree they will seek to make funding decisions consistently with the following principles:

- Funding allocated under this Strategic Plan will be **directed to Aboriginal and Torres Strait Islander community-controlled organisations or emerging community-controlled organisations**.
 - *Rationale:* This reflects the commitments in the National Agreement, and further bolsters Priority Reform Two of the National Agreement, wherein all Parties have agreed to develop the community-controlled sector.
- Jurisdictional funding allocations should be consistent with the investment priorities of the Joint Council and will be **nationally consistent and coherent**.
 - *Rationale:* This will maximise the impact of the funding, help build sustainability of the sectors and ensure it has been used in a way agreed through the Partnership Working Group.
- Funding allocations should **support development and sustainability** – long-term funding is preferred
 - *Rationale:* Short-term funding (such as 12-month funding agreements) does not provide certainty or sector sustainability. Long-term funding supports the strong sector elements, by providing the certainty needed to attract, retain and build the capacity of its workforce, and adopt a planned approach to maintaining and replacing capital items.
- Funding agreements should be **outcome-focused** rather than output focused
 - *Rationale:* Focusing funding on community-identified outcomes, rather than government-determined outputs, supports self-determination. An outcomes-

focused approach can help reduce unnecessary reporting, by measuring and tracking delivery of broad outcomes that go to the purpose of the funding.

- **Accountability should be shared** between governments and community-controlled organisations
 - *Rationale:* While organisations receiving funding are accountable for meeting the requirements set out in the funding agreement, governments are also accountable to the recipient organisations. Governments are accountable for ensuring funding sustainability and establishing outcomes-focused funding agreements. Community-controlled organisations are accountable for working with governments to deliver outcomes, providing quality services and supporting their communities.
- **Evaluation** should be incorporated into program design and delivery, so as to assess the effectiveness of the investment and to inform future funding decision.
 - *Rationale:* Best practice evaluation built into program design and delivery aims to ensure the delivery of intended program outcomes. Where there are shortfalls in delivery, program evaluations can identify how organisations and governments can do things more effectively to achieve program and service delivery outcomes.
- **Co-design** processes are consistent with Priority Reform One and Three, build understanding of service-user needs in Aboriginal and Torres Strait Islander communities, and inform program and service design and delivery.
 - *Rationale:* Co-design of programs and services with Aboriginal and Torres Strait Islander stakeholders helps ensure they meet holistic individual, cultural and community needs.

NEEDS ASSESSMENT

The needs assessments are based on a maturity model that reflects the strong sector elements in Clause 45 of the National Agreement. The purpose of the needs assessment is not to compare community-controlled organisations to non-Indigenous organisations.

The maturity model assesses needs against the strong sector elements and in the four streams identified in the National Agreement: workforce, capital infrastructure, service provision and governance. The needs assessment enables Parties to establish a baseline for each sector and take account of jurisdictional circumstances.

Needs assessments are conducted by all jurisdictions and peak organisations from the relevant sector through a series of national workshops. Participants review their respective sectors in advance of the workshops to identify opportunities, barriers and gaps. The template for the needs assessment is completed collectively through the workshop, based on the information provided by jurisdictions and organisations, to ensure consistency across jurisdictions and sectors.

Following the needs assessment, workshop participants identify areas for investment by applying their professional experience to determine the types or categories of interventions that are likely to have the biggest impact relative to cost. This will enable funding to be directed across the maturity spectrum to the areas where funding can have greatest impact (and not always to areas that are least mature). Workshops identify a number of areas for investment in each sector. Workshops are not expected to identify areas for investment in each jurisdiction or stream.

GOVERNANCE – ROLES AND RESPONSIBILITIES

The Joint Council is responsible for:

- Endorsing and varying the Strategic Plan.
- Endorsing areas for investment within each priority sector, following advice from the Partnership Working Group.

Monitoring the implementation of the Strategic Plan to ensure it best supports delivery of Priority Reform Two of National Agreement. The Partnership Working Group is responsible for:

- Undertaking a needs assessment to establish the baseline capability of each sector against the sector strengthening elements in the National Agreement.
- Identifying types or categories of interventions that will have the biggest impact on the strength of the sector relative to cost.
- Providing advice to Joint Council about areas for investment.

Governments are responsible for:

- Making final decisions on who will receive funding, how much funding will be allocated to each priority, and when and how funds will be allocated within their jurisdiction, considering the Strategic Plan and priorities agreed by Joint Council.
- Working with local communities and Aboriginal and Torres Strait Islander organisations, including the Coalition of Peaks, to determine detailed funding outcomes and recipients.
- Funding organisations in accordance with the respective jurisdiction's budget and grant guidelines.

The Coalition of Peaks is responsible for:

- Contributing sector and service delivery policy expertise and experience.

Jurisdictions will report on progress and share learnings at each meeting of the Partnership Working Group, with written reports provided each financial year on its funding allocations and the outcomes achieved as part of its annual report to respective parliaments.

SCHEDULE A – FUNDING PRIORITIES IDENTIFIED BY JOINT COUNCIL

Early childhood care and development

The Joint Council has agreed the following areas for priority investment:

- Developing a dedicated and identified Aboriginal and Torres Strait Islander early childhood development, protection and care workforce.
- Strengthening peak bodies to support and build the capability of organisations in the sector to deliver services and to support shared decision-making with governments.

Housing

The Joint Council has agreed the following areas for priority investment:

- Enabling peak bodies to build the capacity and capability of the sector to deliver services and provide policy development leadership in partnership with governments.
- Engagement across the sector on how best to build the sustainability and capacity of Aboriginal and Torres Strait Islander community-housing providers.