

Submission to DEEWR for the
Review of the Budget Based Funding Program

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1. Jumbunna Indigenous House of Learning Research Unit at the University of Technology, Sydney (Jumbunna) aims to undertake and promote excellence and innovation in research and advocacy on Aboriginal and Torres Strait Islander legal and policy issues. Jumbunna aims to produce the highest quality research on Indigenous legal and policy issues and to develop highly skilled Indigenous researchers.
2. We note that Jumbunna are not a service organisation so the following submission is based on research we have conducted that has identified effective models for delivering services. We make this submission to put into a broader context the debates on the Budget Based Funding Program to ensure that DEEWR and other portfolios implement good principles to their funding services for Aboriginal and Torres Strait Islander communities

Background

3. The questions of appropriate service models for delivering effective services to Aboriginal and Torres Strait Island communities and families has been addressed in the following and other reports, with most not being able to report substantial improvement in capacities or outcomes for those communities (see the Overcoming Indigenous Disadvantage reports from the Productivity Commission and the Closing the Gap Clearinghouse, Australian Institute of Health and Welfare (AIHW) Report).¹
4. In the AIHW report there are clear criteria on what does and doesn't work, (see appendix) but none of these make any appearance in the discussion paper on possible changes to the Budget Based Funding Program.

Current proposals

5. We are concerned that the paper and reported comments by staffers suggest that this program may be seriously altered to move most of the Aboriginal child care services currently funded under it to the Child Care Benefit (CCB) model. As the latter model would seriously undermine the possibilities and achievements of the current model, we are making this submission.
6. The two models draw on very different assumptions about the role of children's services and their relationship with parents and markets. This difference is important as it illustrates the difference between centres and users being united in controlling priorities and service design, and a model where funding via parents assumes an individualised consumer model where users buy the services, rather than partner with the services to meet community and family needs. The subsidy system determines the emphasis.
7. The original childcare funding model in 1972 was funding for services to ensure the quality of care for children, mainly of women moving increasingly into paid work. It subsidised the salaries of trained staff members. This model developed over the next

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¹http://www.aihw.gov.au/closingthegap/documents/annual_papers/what_works_to_overcome_disadvantage.pdf

decade plus as funding for services which allowed the mainly not-for-profit parent run services to design their centres and programs around users' needs. Budgets included all costs, with assumptions about staffing costs, ages of children, special needs, and proposed fees. The driver was the needs of users.

8. The current model removes the contract between services and government. It assumes parents are consumers who choose a centre, which both ignores the lack of choice and the difficulties of moving children according to price. Fees are set by services and at a minimum are the subsidies available plus gap fees to meet the budget needs. Most add a profit. The CCB payment is standardised per child, ignoring the extra costs of younger children. The CCB and CCR payments both involve parents dealing with complex Centrelink requirements and other demands for documentation. Even community run services have to meet fixed subsidy rates and face the need to reduce gap fees or reduce access of high need families. The decision driver is the fixed child based funding, not the needs of the community or users.
9. The basic assumptions have essentially removed the community and parental involvement, and increased the complexity of management so that even not-for-profits are too often run by large pseudo commercial models. These changes have not necessarily benefited children and have led to Early Years Learning Framework (EYLF) initiatives that seek to add quality to a system driven by finance models.
10. This model poses problems for low income and other users who do not fit the pattern. The pressure is on services to take users that fit in easily, attend at regular times and are relatively low cost. There are too few places for babies, inflexible services for shift workers and difficulties in paying for the teachers they are now required to have. The government response is not clear but it is likely that some changes may be needed to reinstate fee controls and direct funding of higher salaries.
11. Adding some or all of the BBF services is therefore not a good idea, even where they are offering similar services. The child based funding model will not work as Centrelink relationships are often poor, paper work difficult and movement of children between households frequent. So fees may not necessarily be paid on time. This will create tensions for parents and children will not attend.
12. This is just one example of how the basic capacities of these services to meet the cultural and social needs will be drowned in the new funding system. While recognising the flaws of the BBF programs, we are concerned that this alternative, based on family as purchaser of services, designed for mainly employed users, will not be appropriate for many of the existing clients.

We note the following information about the current program from the discussion paper:

13. In 2011-12, about \$60 million was provided to these services, with approximately \$45 million for Indigenous-focused services. This means that most of the money is targeted to these communities.
14. The paper notes what it sees as different about BBF funding, most of which reinforces our view that its basic conceptual basis of a holistic funding of the program should be retained.

Direct operational funding is provided to around 330 different types of ECEC services throughout Australia in areas where the market would not normally allow services to operate, including in urban, regional and remote communities, and where there are additional needs for culturally appropriate services.

In Aboriginal and Torres Strait Islander communities, children and families may require highly specific, culturally appropriate services.

In each of these circumstances, flexible funding may be needed for individual ECEC services to operate and to allow equitable access and participation to remove barriers for some families. The BBF Program helps to address this need by providing operational funding directly to services. In this way, the program and the services it funds help to fill the gap left by —market failure and help ensure that children and families can access appropriate services.

15. Rather than changing the model, we suggest the barriers to expanding the program be removed. At present there is no extra money for individual service changes or for new services to be funded. This must be remedied. There is no justification for limiting these kinds of services as other CCB based services are not limited. Why then limit the services that best serve the most vulnerable families who are not generally in the labour market. We realise that these services may involve capital costs and possible additional running costs, however the possible benefits would outweigh the costs
16. The paper implicitly assumes that there are benefits if BBF services join the CCB services such as being included in the quality improvement programs We cannot see why these services should not receive the EYLF advantages without being CCB funded. We are concerned that they have been excluded because of funding needs rather than to protect them. While they have received some extra quality improvement payments, the existing lower levels of staffing qualifications and other costs based issues are not resolved.
17. Our concern is that by putting services onto CCB funding their problems become the Centres, not the funders. This is a major issue as the inflexibility of the funding formulae means that either services will have to push for extra funding which may not be available, or cut services to fit the budget.
18. The confusion is demonstrated in the following paragraph which praises the NQF but avoids the elephant in the room, ie it is not funded as such and there is pressure if services need to upgrade on current budgets.

The impact of the National Quality Standard on mainstream ECEC services may have flow-on effects on the objectives of the BBF Program. For example, ECEC services covered by the NQF are assessed and rated on their responsiveness to the cultural characteristics of participants and communities. Specific elements within the standard relate to how well the service engages with the local community and the extent to which programs are based on every child's cultural identity. There is also an NQF standard that specifically relates to cultural competence of ECEC services, which includes Aboriginal and Torres Strait Islander cultures. This will have an impact on mainstream services by ensuring that they meet the needs of Indigenous children. With cultural competence a focus of all ECEC services, it is timely to consider how best to target BBF funding to unmet, or emerging needs.

19. The implication that all services will be culturally sensitive post NQF obviating the need for separate services is totally absurd. Without additional funding, most mainstream centres will flounder in their attempts to understand and integrate Indigenous perspectives. The changes needed will require additional separate funding for general quality issues in this area.
20. In general we would support the following proposal in the paper, if it is backed by appropriate funding and given an appropriate cultural makeover.

Another approach may be to adopt a system similar to the NQF. Under the National Legislation and National Regulations minimum requirements are set and quality, quality expectations are defined by the National Quality Standards. Information about services' performance is gathered through periodic assessment and rating process against the National Quality Standard. Services are required to undertake reflective practice to support their own quality delivery. It might be possible to apply a similar, potentially less formal, process for some or all BBF services.

What works and what doesn't work

21. The AIHW criteria suggest that a program that works collaboratively, from the bottom up and builds trust and good relationships is the basis for successful programs. This is the type of service delivery the budget based model can develop. A locally devised and controlled program needs to feed into a budget process that ensures funding and support is there when needed. The business model pushed under the CCB model is closer to what doesn't work: one size fits all and complex varied reporting. The lack of control over budgets and the need to push user compliance with Centrelink needs will build distrust.
22. The report on Indigenous languages² just tabled in the House of Representatives unanimously supports early childhood services offering local language programs (see example of recommendations at Appendix 1). Locally controlled adequately funded early childhood programs are increasingly seen as part of hubs for other services that are needed. Building good relationships is the core of this approach. The budget based model can accommodate such services but not the CCB model.

Recommendations

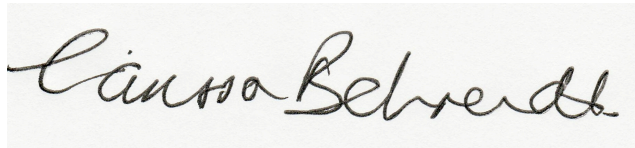
- 1) That the Budget Based program be expanded to cover community based multipurpose Aboriginal and Torres Strait Islander childcare services that do not fit the CTB model and/or want to deliver more diverse services. .
- 2) That extra funds be directed to the program to allow expanded funding for current services and new services.
- 3) That locally based models be accepted as the norm and basic standards developed that meet both local needs and central accountability, ie via outcomes.

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http://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=atsia/languages2/report.htm

- 4) That funds be provided to monitor and evaluate the services with appropriate cultural methodologies.
- 5) That Indigenous early childhood knowledge and languages be developed in these services and offered more widely.
- 6) That funding be made available to EYLF mainstream services to develop their Indigenous knowledge and connections.

This submission has been prepared by Eva Cox, Adjunct Professor on behalf of the Research Unit at the Jumbunna Indigenous House of Learning, University of Technology, Sydney. We would be happy to provide further information on any of the above.



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Appendix 1

How to plan and fund services that work: a planning model for the local delivery of Indigenous services

There is rarely a consensus of views on the success or otherwise of broad based policies and programs targeting particular clear objectives. However, recent documentation by a wide range of respected federal agencies all clearly identify the serious limits of current funded services to overcome Indigenous disadvantage. The consensus is shown in recent studies by the Productivity Commission on Overcoming Indigenous Disadvantage³ and the Australian Institute of Health and Welfare (AIHW) report for the Closing the Gap Clearinghouse.⁴ Both reveal the limited progress and identify many problems in models of funding and operating of services that may explain the costs of such programs and their poor results.

These studies reiterate past criticisms and again make recommendations on what works and what doesn't work. Current policy making still shows little evidence that the proposed criteria are being adopted by state and federal funders and service deliverers. There is anecdotal and some limited more formal evidence that NGOs and other agencies that receive government funding to deliver services to Indigenous communities are also not incorporating the recommended criteria.

This briefing has therefore been developed as a guide for possible improved practices in all these sectors. We offer a template for assessing whether agencies are following the recommendations on what works and therefore running services that will work for Indigenous clients. The model below combines the AIHW criteria with anecdotal evidence on service delivery to Aboriginal communities. These comments have been drawn from some NSW community research by Jumbunna and the summary results of the recent NSW Ministerial Taskforce on Aboriginal Affairs reports based on their consultations in 14 locations.⁵ The content was very compatible.

We suggest the AIHW criteria, expanded by our summary of local issues, could offer a model to assist with effective decision making and service delivery. The criteria apply both to services to be delivered within and by Indigenous communities and to mainstream services, currently being, or likely to be, used by Indigenous families and communities.

This is a brief version of a longer document currently being drafted looking at models for improving how policies, programs and services are developed and delivered. We hope that combining top down analysis with local feedback will help correct past mistakes and

³ <http://www.pc.gov.au/gsp/indigenous/key-indicators-2011>

⁴ Closing the Gap Clearinghouse (AIHW, AIFS) 2011. What works to overcome Indigenous disadvantage: key learnings and gaps in the evidence. Produced for the Closing the Gap Clearinghouse, Canberra: Australian Institute of Health and Welfare & Melbourne: Australian Institute of Family Studies.

⁵ <http://www.daa.nsw.gov.au/taskforce/>

confusions. We hope that this approach will engage all stakeholders in new ways for delivering more effective policies and programs. The priority is to recognise that good service outcomes start with bottom up local involvement, cultural relevance and, at a minimum, local joint decision making on what is needed and how it should be run.

The AIHW Criteria and Jumbunna Commentary

WHAT DOES WORK

- **Community involvement and engagement**
This should start at the earliest practical point and discussion should be held before any decisions are made on what services are needed and how they are best delivered. There must be open discussion and listening. Feedback on decisions is crucial and local ideas need to be heard and incorporated.
- **Adequate resourcing for planned and comprehensive interventions.**
Avoid short term and inadequate interventions that fail to effectively deal with the identified problems or do not operate for long enough to make a difference. Long term planning, funding and support for staffing are all essential for effective services. A common outcome of this failure is that successful programs are often defunded or the program closes down.
- **Respect for language and culture**
Service deliverers from outside the community need to value the local culture and languages and ensure they are integrated. Local services work best when there is reciprocal respect and cultural embedding to ensure they are utilised.
- **Working together through partnerships, networks and shared leadership**
This is the structural key to making programs work locally: the genuine sharing of formal and informal decision making and mutual recognition of joint interests, whether expressed as through self-determination or other shared control.
- **Development of social capital**
There needs to be adequate levels of trust and trustworthiness on all sides to allow people to work effectively and minimise the bureaucratic processes. The building of such relationships takes time so there should be limited use of fly-in-fly-out style services and avoidance of short term, high level turnover of staff.
- **Recognising underlying social determinants.**
Recent findings by the World Health Organisation suggest strongly that population wide social and health problems are usually derived from institutional and structural inequities that limit people's sense of control and autonomy, rather than personal or familial deficits. Therefore solutions need to address these structural determinants and histories as well as assisting immediate needs.
- **Commitment to doing projects with, not for, Indigenous people.**
This is an important component of both effective delivery of services and improving the power imbalances that undermine benefits. Relationships need to be genuinely collaborative between funders, providers and recipients of services. Whether expressed formally in written agreements or informally in actual decision-making and delivery, this engagement model is the core of effectiveness and goodwill. Decisions need to include Aboriginal knowledge and aspirations.
- **Creative collaboration that builds bridges between public agencies and the community and coordination between communities, non-government and government to prevent duplication of effort.**
Services need to plan, listen to and engage with local communities to avoid the problems that come with too many overlapping services that reduce the effectiveness of all providers. There is a need to avoid sometimes absurdly high numbers of

agencies operating in small or localised areas, fragmenting local goodwill and undermining the effectiveness of joined up programs.

- **Understanding that issues are complex and contextual.**

The above criteria and examples are offered as starting points for the solution to a range of difficult issues which affect the effectiveness of programs and services. The criteria oversimplify complex issues but hopefully offer a starting point for new approaches in these areas which can build more appropriate processes.

WHAT DOESN'T WORK

- **'One size fits all' approaches**

This is a major flaw both in government programs but also occurs in NGO services. The administrative processes in larger organisations may see cookie cutter models as easier to manage, and apply them widely. These do not work as they fail the basics of most of the above criteria for what does work. Just because something worked elsewhere, it still needs to be locally owned and appropriate for it to work well.

- **Lack of collaboration and poor access to services**

As outlined above, multiple services in many locations fail if they are not locally connected and accepted. This may mean services are not seen as legitimate and are therefore not utilised or recognised.

- **External authorities imposing change and reporting requirements.**

Many local services both resent what they see as externally imposed changes to what they feel works and the frequent demands for reporting that interfere with their time and capacities to deliver services.

- **Interventions without local Indigenous community control and culturally appropriate adaptation**

This is a common complaint that breaches most of the criteria for what is working. External decision making, design and delivered services are most unlikely to engage locals and develop the levels of trust and good will in local communities and or with clients that make their services effective or even appropriately used.

- **Short-term, one-off funding, piecemeal interventions, provision of services in isolation and failure to develop Indigenous capacity to provide services.⁶**

The history of failures of Indigenous focused services is summed up in this item. Short term inflexible funding may tempt bureaucrats but often undermines good relations and possible future engagement of local communities. Defunding some successful programs after pilots expire can create future resistance. Failure to plan, support and resource services and ensure that local skills are developed may also lead to local staff finding delivery too hard.

The basis for developing the AIHW recommendations (in bold above published 2010) is outlined below. While these criteria do not purport to cover the complex issues raised by self-determination, broader governance problems and other issues of significance to Indigenous communities, the question remains of why they have not been adopted or even acknowledged as part of the Federal government programs and policy development, therefore allowing failures will to continue.

⁶http://www.aihw.gov.au/closingthegap/documents/annual_papers/what_works_to_overcome_disadvantage.pdf

The Clearinghouse processes identified overarching themes for successful programs in overcoming Indigenous disadvantage. Notably, these findings are highly congruent with views of significant Indigenous and non-Indigenous stakeholders, community development principles and 'common sense' approaches.

They are also consistent with the Service delivery principles for programs and services for Indigenous Australians (set out in Schedule D of the National Indigenous Reform Agreement, effective February 2011). The Clearinghouse's important contribution is the rigour and impartiality through which available data have been considered. The convergence between 'real world experience', government principles for action and the Clearinghouse's technical assessment builds confidence that emerging themes provide a solid basis for overcoming Indigenous disadvantage.

The NSW Taskforce Report, mentioned above, has heard the similar views of the local communities, and claims to be listening and implementing some changes. We hope that they will also take note of the useful criteria already developed.

Recommendations from Indigenous Languages report

Recommendation 12 – Language Nests

The Committee recommends that the Office for the Arts, through the Indigenous Languages Support (ILS) program, prioritise funding for Language Nest programs throughout Australia.

The Committee further recommends that the Commonwealth Government give consideration to establishing Language Nest programs in early childhood learning centres and preschools as set up under National Partnership Agreements.

Recommendation 13 - First language assessment

The Committee recommends that the Minister for Education work through the Standing Council on School Education and Early Childhood to develop protocols for mandatory first-language assessment of Aboriginal and Torres Strait Islander children entering early childhood education.

Recommendation 14 – Bilingual education programs

The Committee recommends that the Commonwealth Government work with state and territory governments to provide adequately resourced bilingual school education programs for Indigenous communities from the earliest years of learning, where the child's first language is an Indigenous language.