



Australian Government

Department of Families, Housing,
Community Services and Indigenous Affairs

Minute

To: Sean Innis and Kate Gumley
Housing & Homelessness;
Michael Lye: Families;
Nick Hartland: Disabilities & Carers;
Cate McKenzie: Women & Children Policy

From: Evan Lewis
Group Manager
Community Engagement and Development

Date: 9 December 2010

Subject: Review of the National Secretariat: Progress and Next Steps

Purpose

To seek your comments on the recommendations of a desktop review of the National Secretariat strategy recently completed by the Community Investment Branch and to initiate further discussions around implementing the recommendations.

Background

1. The National Secretariat has been operating since 1999. Currently 21 peak bodies are funded totalling \$4.837m per annum. Of the total funding, \$2.234m is provided through the Community Investment Program appropriation.
2. In late 2009, a Steering Committee with representatives from the relevant program areas was established to examine the extent to which current funding of peak organisations aligned with Government policy and the strategic direction of program areas. The Steering Committee met twice in early 2010 and agreed Terms of Reference to guide a review of the funding and administration of peak organisations in the department (**Attachment A** refers).
3. A desktop review examining how well the National Secretariat peak organisations meet the strategy's existing eligibility criteria and how well they reflect current Government policy and strategic directions was undertaken as a step towards meeting the Terms of Reference.
4. National Secretariat organisations were reviewed using the strategy's eligibility criteria (**Attachment B**) including:
 - o their membership base,
 - o organisational profiles; and
 - o alignment with Government priorities.

5. **Attachment C** provides the findings from the desktop review.

Issues

6. The review found that 12 of the current National Secretariat peaks are funded by program areas. Total funding to these organisations is \$2.488m per annum. The Community Investment program fully funds 6 organisations at a total of \$1.659m and jointly funds 3 peaks with program areas (\$575,109 and \$113,995 respectively).
7. Only five (5) of the current organisations have been identified as National bodies. These five peaks receive funding totalling \$1.683m per annum. Of this funding, \$1.319m is from the Community Investment appropriation
8. The review has also found that the relationship and contract management of the majority (20) of the current National Secretariat peaks is undertaken by individual program areas. The Community Investment Program is currently fully managing the relationship and funding arrangements for one organisation.

s47C (deliberative processes)

10. It would be appreciated if program areas could provide CIB with comments (including their agreement/disagreement with the recommendations) by **28 January 2011**. This timing will allow CIB to provide interim advice to the Minister in February.
11. The CIB will also arrange meetings with program areas to commence discussions around the value in continuing the current national secretariat funding and administrative arrangements. I expect these meetings to occur in February 2011. To assist us to arrange these meetings could you please nominate a contact officer.
12. Should you wish to discuss the review recommendations or implementation process please contact Jill Farrelly, Branch Manager CIB on 6244 1378.

Evan Lewis
Group Manager
Community Engagement and Development

NATIONAL SECRETARIAT – Terms of Reference for its Review

Guided by an internal steering committee, chaired by Evan Lewis, the review will examine and report on:

- The extent of the value gained by government from providing funding to peak organisations under the National Secretariat and broader FaHCSIA programs.
- Proposed funding to organisations, including minimum mandatory deliverables from funded organisations to better ensure value for money.
- The extent to which there are gaps and overlaps in representation of sectors, by way of organisations funded.
- Identifying areas for better matching the funding of peak bodies with Departmental strategic directions and Government policy.
- How the current model used for the funding of peak organisations can be improved in the future.

Outcomes of the review will include:

- Developing guiding principles for which types of organisations should be funded (including level, period and expected outcomes).
- Developing a protocol, principles and model for recommending peak organisations to receive/not receive FaHCSIA funding, with a transition plan to implement these, in order to guide future funding proposals.
- Developing a strategy and timetable for communicating with the non-profit sector on the outcomes.

Attachment B

**NATIONAL SECRETARIAT
PEAK BODY ELIGIBILITY CRITERIA
2010-11**

Each of the current National Secretariat peak bodies was reviewed against the National Secretariat eligibility criteria to ensure the organisation:

- Is national in scope and not-for-profit community based.
- Is concerned with issues of relevance to the needs of the Australian community with respect to family, housing and/or community services.
- Has a broad membership base.
- Does not represent the interests of service providers unless it can demonstrate that no other organisation can be identified which fulfils the role of representing the consumers in their field of interest and the organisation can demonstrate it represents these consumers.
- Works on behalf of disadvantaged groups or others of interest or relevance to the Department, or on issues impacting on these groups.
- Acts as a conduit for information flow between the Government and their membership, drawing together views on issues of relevance to their membership and providing a consultative mechanism for the Department.
- Has a primary focus on policy development and advice.
- Has processes in place to effectively represent its members' views, as reflected in its reporting and communication channels, financial resources, external credibility, and internal accountability requirements.
- Does not duplicate the representational work on behalf of its constituency, compared with other peaks funded by the Department.
- Has limited capacity to be self-financing and to generate other income to run a national secretariat.

Organisations were then grouped under the three National Secretariat funding tiers (**Attached**) according to whether they were considered to be:

- Tier 1 - National Peak Bodies (meet all eligibility criteria and Government strategic directions)
- Tier 2 - Cohort Specific Peak Bodies s47C (deliberative processes)
- Tier 3 - Industry Representative Peak Bodies (organisations that represent the views of specific services).

DESKTOP REVIEW OF THE NATIONAL SECRETARIAT

2010

Desktop Review Outcomes

The existing three National Secretariat funding tiers were retained for the review. Existing peak organisations were reclassified under the tiers according to the outcome of the review. The reclassification reflected the following criteria:

- Tier 1 - National Peak Bodies (organisations that met all eligibility criteria and Government strategic directions)
- Tier 2 - Cohort Specific Peak Bodies (organisations with a membership base of consumers/services that could be represented by a broader peak)
- Tier 3 - Industry Representative Peak Bodies (organisations that represent the views of specific services).

A table with the current peak organisations under the National Secretariat strategy and the program areas responsible for their management is attached. **The table provides the revised groupings.**

Discussion and Recommendations

- From the current list of National Secretariat peak organisations, five (5) organisations align with the funding eligibility criteria and Government direction. These organisations are considered to be the National Secretariat Peak Organisations.
 - The total amount of funding allocated to National peak organisations is \$1,683,359.
 - With the exception of the Australian Federation of Disability Organisations (\$303,545), all organisations identified in Tier 1 are funded through the Community Investment Program appropriation.

Recommendations:

- The performance of the five peak organisations identified as National peak organisations should be reviewed.
 - Subject to the outcome of performance reviews, CIB should enter into discussions with relevant program areas around future funding and administration arrangements for National Peak Organisations.
 - CIB should enter into bilateral discussions with the disabilities program area around future funding to the Australian Federation of Disability Organisations.
- The remaining 16 peak organisations that did not fully meet the National Secretariat review criteria have been grouped under either Tier 2 or 3 according to their membership base and/or organisational profiles.

In the revised groupings five (5) of the 16 organisations receive funding (either fully or jointly) from the CIP Appropriation (CIP contribution totals \$915,109).

- Three peaks are jointly funded by CIP and program areas. The program area manages the relationship with these peaks.
- The remaining organisations are funded and managed by program areas and they provide program specific advice directly to line areas.
- All relevant program areas have taken responsibility for liaising with their stakeholder peaks and directly agree reporting arrangements and monitor and accept deliverables.
- The National Secretariat currently monitors all funding agreement payments and compliance through regular discussion with line areas.

Recommendations

- Relevant program areas should solely manage organisations grouped under Tiers 2 and 3 to reduce duplication of administrative tasks and ensure appropriate accountability.
- The performance of organisations funded under Tier 2 and 3 should be reviewed by program areas prior to being refunded.
- CIB should enter into bilateral discussions with relevant branches around future funding arrangements for those organisations that receive Community Investment Program funding.