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Audit Report No.18 2012–13  
Performance Audit

# **Administration of Communities for Children under the Family Support Program**

**Department of Families, Housing, Community Services  
and Indigenous Affairs**

Australian National Audit Office

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Canberra ACT  
30 January 2013

Dear Mr President  
Dear Madam Speaker

The Australian National Audit Office has undertaken an independent performance audit in the Department of Families, Housing, Community Services and Indigenous Affairs in accordance with the authority contained in the *Auditor-General Act 1997*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit to the Parliament. The report is titled *Administration of Communities for Children under the Family Support Program*.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's Homepage—<http://www.anao.gov.au>.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian McPhee', is positioned above the printed name.

Ian McPhee  
Auditor-General

The Honourable the President of the Senate  
The Honourable the Speaker of the House of Representatives  
Parliament House  
Canberra ACT

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For further information contact:

**The Publications Manager  
Australian National Audit Office  
GPO Box 707  
Canberra ACT 2601**

**Telephone: (02) 6203 7505**

**Fax: (02) 6203 7519**

**Email: [webmaster@anao.gov.au](mailto:webmaster@anao.gov.au)**

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### **Audit Team**

Elizabeth Wedgwood

Melanie Hall

Dr Andrew Pope

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# Abbreviations

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ADA	Activity Delivery Area
ATSI	Aboriginal and Torres Strait Islander
AARs	Administrative Approval Requirements
AGD	Attorney-General's Department
ABS	Australian Bureau of Statistics
AIHW	Australian Institute of Health and Welfare
ANAO	Australian National Audit Office
APS	Australian Public Service
ASGC	Australian Standard Geographical Classification
BCBB	Building Capacity, Building Bridges
Common Business Model	Common Business Model for Grants Management (FaHCSIA)
CGGs	Commonwealth Grant Guidelines
CfC	Communities for Children
CfC Direct	Communities for Children Direct Services
CfC FP	Communities for Children Facilitating Partner
CfC IPS	Communities for Children Indigenous Parenting Services
CP	Community Partner
CDSMC	Community and Disability Services Ministerial Council
COAG	Council of Australian Governments

FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FOFMS	FaHCSIA's Online Funding Management System
FRCs	Family Relationship Centres
FSP	Family Support Program
National Framework	<i>Protecting Children is Everyone's Business: The National Framework for Protecting Australia's Children 2009–20</i>
NGO	Non-government organisation
SEIFA	Socio-Economic Indexes for Areas
VADCAS	Vulnerable and Disadvantaged Client Access Strategy



# Glossary

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At risk	Refers to families who exhibit risk factors for child neglect and abuse. Risk factors include, among other things, unemployment, disability and drug and alcohol addiction.
Care and protection order	An agency responsible for child protection can apply to the relevant court to place a child on a care and protection order, where the family resists supervision and counselling, where other avenues for resolution of the situation have been exhausted, or where removal of a child into out-of-home care requires legal authorisation.
Child abuse	An act of commission against a child that entails substantial risk of causing physical or emotional harm to that child, which can include physical abuse, emotional maltreatment and sexual abuse.
Child protection	Statutory services designed to protect children who are at risk of serious harm.
Children	Persons aged from birth to 18 years of age unless otherwise specified.
Community Partner	A non-government organisation subcontracted by a Facilitating Partner (see definition below) to deliver Communities for Children services.
Early intervention	Child and family services that are designed to prevent entry or re-entry into statutory child protection services or out-of-home care.
Facilitating Partner	A non-government organisation contracted by FaHCSIA to oversee delivery of Communities for Children services in a particular Activity Delivery Area using Community Partner organisations.

Neglect	Defined by the Australian Institute of Health and Welfare as any serious omissions or commissions by a person having the care of a child that, within the bounds of cultural tradition, constitute a failure to provide conditions that are essential for the healthy, physical and emotional development of a child.
Notification	Contact made to an authorised department by persons or other bodies making allegations of child abuse or neglect, child maltreatment or harm to a child.
Out-of-home care	Provides alternative accommodation for children where parents are unable to provide adequate care, where alternative accommodation is required during times of family conflict, or where the child is the subject of a substantiation and requires a protective environment.
Place-based model	Place-based service delivery approaches are based on local level problem definition, and the development of responses to address the set of circumstances that exist in a particular community or location. Decisions over services and how they are delivered are often made at the local level making use of local governance arrangements.
Soft entry services	Refers to non-stigmatising ways to engage parents in child and family services through existing neutral, often universal services such as health clinics, child care centres, schools or natural gathering places like parks or shopping centres.
Statutory (tertiary intervention) child protection	Strategies that target families in which child neglect or abuse has already occurred. These strategies seek to reduce the long-term implications of neglect and abuse and prevent it from reoccurring.
Substantiation	Refers to the possible outcome of an investigation of a notification of suspected child abuse or neglect. To substantiate means that there is reasonable cause to believe that the child has been, was being or was likely to be abused, neglected or otherwise harmed.

Targeted (secondary) interventions	Strategies that target vulnerable families or children and young people who are at risk of child neglect and abuse.
Universal (primary) interventions	Strategies that target whole communities to build community resilience and contribute to reduced child neglect and abuse.



# **Summary and Recommendations**

# Summary

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## Introduction

1. In Australia, statutory child protection is the responsibility of state and territory governments.<sup>1</sup> Under these arrangements, children and families generally come into contact with the child protection system in an emergency or crisis situation through the reporting of suspected neglect or abuse. Statistics produced by the Australian Institute of Health and Welfare<sup>2</sup> (AIHW) show that the demand for child protection services in Australia has been steadily increasing, putting pressure on the state and territory statutory systems.<sup>3</sup> Further, research by the AIHW indicates that engagement with the child protection system, particularly with out-of-home care, does not protect children from poor long-term outcomes.<sup>4</sup>

2. With the goal of achieving better long-term outcomes for children who are at risk of abuse and neglect, the Australian Government, in partnership with the state and territory governments and the not-for-profit sector, is now moving towards a public health model to protect these children. This involves shifting the emphasis to prevention and early intervention rather than focusing efforts on statutory interventions. In 2009, the Council of Australian Governments (COAG) endorsed *Protecting Children is Everyone's Business: The National Framework for Protecting Australia's Children 2009–2020* (the National Framework). The National Framework represents a long-term, nationally coordinated effort by the Australian Government, state and territory

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<sup>1</sup> Statutory child protection is also referred to as tertiary intervention. Tertiary interventions are strategies that target families in which child neglect or abuse has already occurred. These strategies seek to reduce the long-term implications of neglect and abuse and prevent it from reoccurring.

<sup>2</sup> AIHW produces the *Child Protection Australia* report annually, which contains comprehensive information on state and territory child protection and support services, and the characteristics of Australian children within the child protection system.

<sup>3</sup> The rate of increase in child abuse and neglect may reflect changes in state and territory policies and processes, increasing community awareness of child neglect and abuse, and broadened definitions of child neglect and abuse. However, AIHW reports that children on care and protection orders have been increasing for at least 15 years.

<sup>4</sup> Australian Institute of Health and Welfare, *Educational outcomes of children on guardianship or custody orders*, Child Welfare Series no. 42, AIHW, Canberra, 2007.

governments and the not-for-profit sector to protect the safety and wellbeing of Australia's children.<sup>5</sup>

3. Communities for Children (CfC) was originally established in 2004 following a decision by the then Australian Government to establish the Stronger Families and Communities Strategy (2004–08). CfC was one of four streams of the Stronger Families and Communities Strategy, with an allocation of \$110 million for 35 disadvantaged communities over four years. The aim of CfC was to address the risk factors for child abuse and neglect before they escalate, and help parents of children at risk to provide a safe, happy and healthy life for their children.

4. A key feature of the original CfC was that a lead non-government organisation (NGO) would be responsible for working with the local community, including other community organisations, to develop a child-friendly community plan. Funding for an initial seven CfC sites was provided under the Stronger Families and Communities Strategy in 2004. Further sites were added in 2005 and 2006, and again in 2009. The strategy sought to engage adults in activities with and for their children, and included home visiting, early learning and literacy programs, early development of social and communication skills, parenting and family support programs, and child nutrition.

5. In 2008, the Australian Government commenced a strategy of widespread reform of children, families and communities grant programs to more comprehensively support families and build socially inclusive communities. The rationalisation and restructuring of community support programs into a better-targeted and more-integrated strategy, aimed to improve the focus on government priorities, increase flexibility in the application of government funds at a local level, and reduce program duplication and administrative costs. The Minister for Families, Community Services and Indigenous Affairs announced the creation of the Family Support Program (FSP) in February 2009, and signalled the commencement of a two year transition phase to undertake the reforms.

6. On 1 July 2009, CfC became an activity<sup>6</sup> under the FSP, as one of a suite of activities aimed at supporting the wellbeing of children and families;

<sup>5</sup> Council of Australian Governments, *Protecting children is everyone's business: National Framework for Protecting Australia's Children 2009–2020*, COAG, Canberra, 2009.

<sup>6</sup> Activity means any tasks, activities, services or other purposes for which funding is provided.

ensuring children are protected; and contributing to building stronger, more resilient communities. The original model of service delivery, of a lead NGO working within the community to develop community responsive services, was transferred into the FSP as the CfC Facilitating Partner model. Within this model, the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) provides grant funding to NGOs in targeted locations across Australia to develop local, community-based networks that build on existing community resources, and develop strategies to address acknowledged service gaps. These NGOs are referred to as Facilitating Partners, and are assigned an Activity Delivery Area<sup>7</sup> (ADA) in which they operate. Facilitating Partners build networks of smaller and/or specialised service providers (known as Community Partners) and subcontract them to develop and/or deliver services to meet existing and emerging local priorities. A committee of local community representatives is the key decision-making mechanism that meets to identify community resources, service needs, and gaps in service delivery.

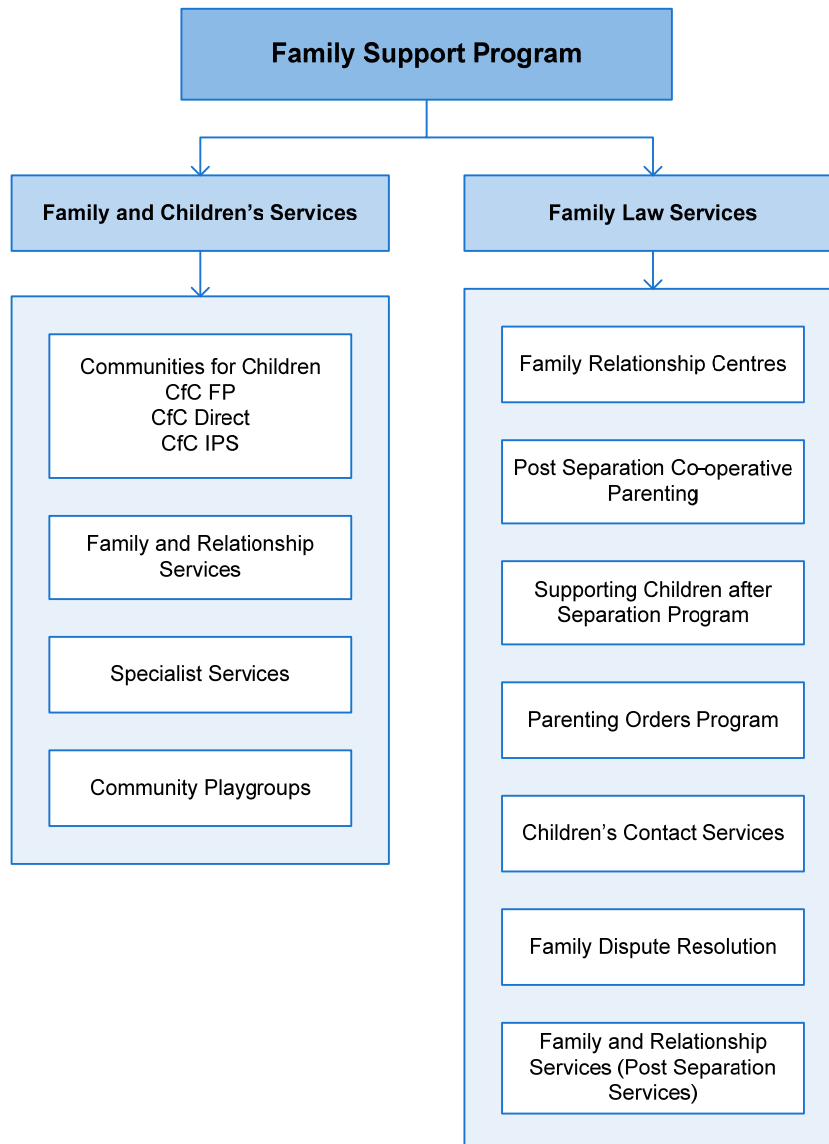
7. During 2011, FaHCSIA further restructured and streamlined the FSP, resulting in the addition to the FSP of services that were being delivered under other programs, and reduced the three FSP streams into two. The current structure is shown in Figure S1. As part of this process a large number of children and parenting programs were incorporated into CfC, and existing service providers were transitioned to the new service arrangements following an assessment of their performance, and ability to meet the new program requirements. This significantly increased CfC funding and expanded the service delivery types to three service delivery arrangements—CfC Facilitating Partners (CfC FP), CfC Direct Services (CfC Direct), and CfC Indigenous Parenting Services (CfC IPS).<sup>8</sup> As at October 2012, there were 370 CfC service activities funded by FaHCSIA, including 52 CfC FP sites.

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<sup>7</sup> The Activity Delivery Area is based on a population demographic identified using the Australian Standard Geographical Classification (ASGC). The ASGC is used by the Australian Bureau of Statistics (ABS) for the collection and dissemination of geographically classified statistics. The ASGC is used to improve the comparability and usefulness of reporting generally, and to ensure that outcomes and statistical data may be comparable to other programs and initiatives.

<sup>8</sup> CfC Direct and CfC IPS do not operate as place-based models as CfC FPs do. They deliver a specific activity in a specified area defined in their funding agreement.



**Figure S1****Revised structure of the Family Support Program from 1 July 2011**

Source: ANAO adaptation of diagram from the Department of Families, Housing, Community Services and Indigenous Affairs, *Family Support Program Guidelines Part A*, FaHCSIA, Canberra, 2012, p. 6.

Note: These two streams are also supported by national services, including the Family Relationships Advice Line, Family Relationships Online and the Raising Children Network.

8. The Australian Government allocated a total of \$333.456 million to CfC for the three years commencing 2011–12. The distribution of funding is shown in Table S1.

**Table S1**

**Communities for Children funding 2011–2014**

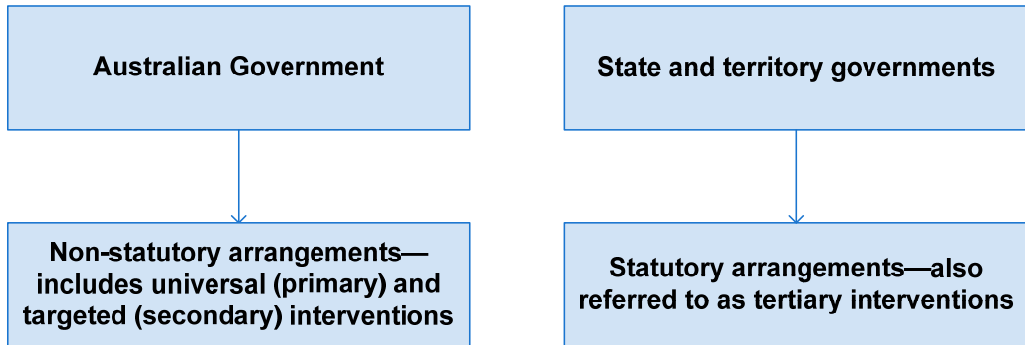
CfC activity type	2011–12 \$m	2012–13 \$m	2013–14 \$m	Total \$m
CfC Facilitating Partners	42.483	49.835	52.699	<b>145.017</b>
CfC Direct Services	32.195	32.480	32.496	<b>97.171</b>
CfC Indigenous Parenting Services	25.824	31.029	34.415	<b>91.268</b>
<b>Total</b>	<b>100.502</b>	<b>113.344</b>	<b>119.610</b>	<b>333.456</b>

Source: FaHCSIA financial information. This table reflects the expected allocations by financial year.

9. As noted in paragraph 1, state and territory governments are responsible for statutory, also known as tertiary, intervention in child protection, while the Australian Government implements non-statutory arrangements. These include:

- universal (primary) interventions—strategies that target whole communities to build public resources to address social factors that contribute to child neglect and abuse; and
- targeted (secondary) interventions—strategies that target vulnerable families or children and young people who are at risk of child neglect and abuse.

The child protection responsibilities of the Australian, and state and territory governments for child protection are shown in Figure S2.

**Figure S2****Government responsibilities for child protection in Australia**

Source: ANAO, adapted from information from Australian Research Alliance for Children & Youth, *Working together to prevent child abuse and neglect—a common approach for identifying and responding early to indicators of need*, ARACY, Canberra, 2010, p. 12.

10. An important design feature of CfC is its relationship to the statutory child protection system and, in particular, the opportunities it provides to help alleviate the pressure on that system from growing demand for statutory child protection services. *Child Protection Australia*, a report produced annually by the Australian Institute of Health and Welfare (AIHW), provides a comprehensive national analysis of child protection statistics. This report compiles detailed statistical information including the characteristics of children receiving child protection services, trends over time, and factors possibly contributing to changes in statistics. The key descriptors reported are:

- the number of children subject to a notification<sup>9</sup>;
- the number of children subject to a substantiation<sup>10</sup>; and
- the number of children on care and protection orders and in out-of-home care.<sup>11</sup>

<sup>9</sup> Notifications consist of contacts made to an authorised department by persons or other bodies making allegations of child abuse or neglect, child maltreatment or harm to a child.

<sup>10</sup> Substantiation refers to a possible outcome of an investigation of a notification. To substantiate means that there is reasonable cause to believe that the child has been, was being, or was likely to be abused, neglected or otherwise harmed.

11. Substantiations of notifications are classified nationally into one of the following four categories: physical abuse, sexual abuse, emotional abuse or neglect. In the *Child Protection Australia 2010–11* report the most common type of substantiated notification nationally was emotional abuse (36 per cent), followed by neglect (29 per cent), physical (21 per cent), and sexual (14 per cent).

12. Overall, the *Child Protection Australia* reports show that the demand for child protection services in Australia has been steadily increasing. Figure S3 illustrates the increase in the numbers of children on care and protection orders, and the number of children in out-of-home care, from 2007–08 to 2010–11.<sup>12</sup> While the rate of increase may reflect changes in state and territory policies and processes, increasing community awareness of child neglect and abuse, and broadened definitions of child neglect and abuse, on balance, the trend is that the number of children in child protection systems across Australia is increasing.

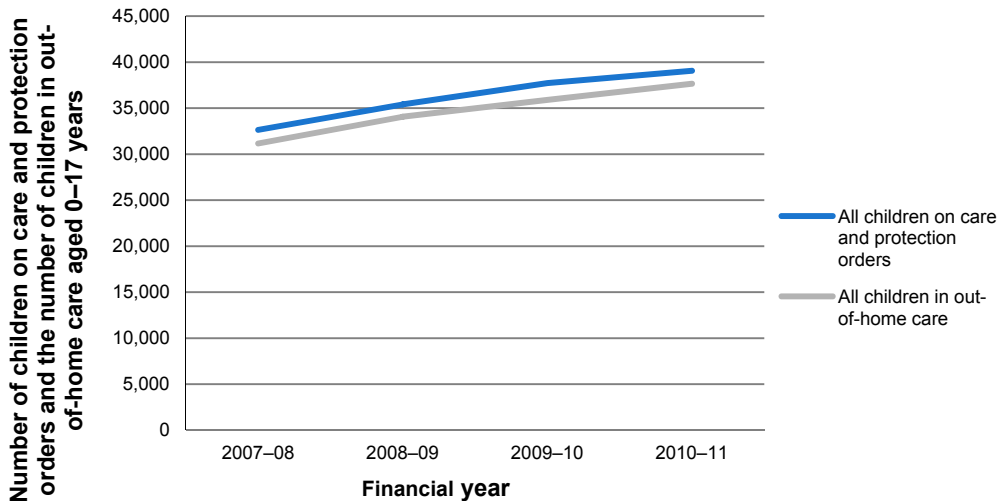
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<sup>11</sup> At any point in the child protection process (from notification, through investigation to substantiation), an agency responsible for child protection can apply to the relevant court to place a child on a care and protection order. This may occur in situations where the family resists supervision and counselling, where other avenues for resolution of the situations have been exhausted, or where removal of a child into out-of-home care requires legal authorisation. Out-of-home care provides alternative accommodation for children where parents are incapable of providing adequate care; where alternative accommodation is required during times of family conflict; or where the child is the subject of a substantiation and requires a protective environment.

<sup>12</sup> Many children on care and protection orders are in out-of-home care. Differences in data provided by the states and territories should be taken into account when making comparisons and drawing conclusions on totals of state and territory statistics. Australian Institute of Health and Welfare, *Child Protection Australia 2010–11*, AIHW, Canberra, 2011, pp. 1–2.

**Figure S3**

**All children on care and protection orders or in out-of-home care, aged from birth to 17 years, from 2007–08 to 2010–11 at 30 June each year**



Source: ANAO analysis from Australian Institute of Health and Welfare (AIHW) reports *Child Protection Australia 2007–08*, *Child Protection Australia 2008–09*, *Child Protection Australia 2009–10* and *Child Protection Australia 2010–11*.

13. The rise in the number of children on care and protection orders and in out-of-home care has significantly increased demand on child protection agencies, and more broadly on government resources. Further, some research indicates that engagement with child protection systems, particularly with out-of-home care, does not protect children from poor long-term outcomes.<sup>13</sup> The November 2012, AIHW publication, *Children and young people at risk of social exclusion: links between homelessness, child protection and juvenile justice*<sup>14</sup>, reports strong evidence that children who suffer abuse or neglect are more likely to engage in future criminal activity, and be over-represented among the homeless.

14. The report proposes several possible reasons for the links between child maltreatment, criminal activity and homelessness. Children who are

<sup>13</sup> Australian Institute of Health and Welfare, *Educational outcomes for children on guardianship or custody orders*, Child Welfare Services no. 42, AIHW, Canberra, 2007.

<sup>14</sup> Australian Institute of Health and Welfare 2012. *Children and young people at risk of social exclusion: links between homelessness, child protection and juvenile justice*. Data linkage series no. 13 Cat. No. CSI 13. Canberra: AIHW.

mistreated typically have parents or guardians who are unable to provide adequate supervision, usually due to economic or social stress. The lack of adequate supervision increases the child's likelihood to become involved in delinquent activities. Further, children who have come into contact with the child protection system are more likely to be homeless, and often have low levels of education and employment leading to survival crimes such as theft.<sup>15</sup>

15. Addressing the incidence of child neglect and abuse, and the subsequent life trajectory has, therefore, significant social and economic implications. As a result, the focus of CfC is on mainstream intervention and prevention services. These services are targeted in communities identified as suffering economic stress nationally. This is to contribute to a potential reduction in the numbers of children coming into formal contact with the statutory system and requiring tertiary interventions.

16. Reducing the likelihood of child neglect and abuse through a preventative approach represents a significant challenge. The range of factors that contribute to child abuse and neglect is broad and the numbers of children in care, and on protection orders has been increasing. Further, while child protection statistics report the number of children who come into contact with statutory authorities or child protection services, it is often regarded as a conservative estimate of the occurrence of child maltreatment. The Australian Institute of Family Studies (AIFS) reports that child neglect and abuse often goes undetected due to the private nature of the crime, the difficulties children experience in making disclosures and being believed, and the lack of evidence to substantiate the occurrence.<sup>16</sup>

## Audit objective, scope and criteria

17. The objective of the audit was to assess the effectiveness of FaHCSIA's administration of Communities for Children under the Family Support Program.

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<sup>15</sup> AIHW 2012. *Children and young people at risk of social exclusion: links between homelessness, child protection and juvenile justice*. Data linkage series no. 13. Cat. No. CSI 13. Canberra: AIHW. pp 5–6.

<sup>16</sup> <<http://www.aifs.gov.au/cfca/pubs/factsheets/a142086/index.html>> [accessed 7 October 2012].

18. The audit focuses on the period from 1 July 2009. This period encompasses the:

- finalisation of the first three year Implementation Plan (2009–12) of the National Framework;
- restructuring of the Family Support Program; and
- implementation of revised funding and performance management frameworks for service providers to better target vulnerable and disadvantaged children and families.

19. The three high level criteria used to assess FaHCSIA's performance against the objective were:

- governance and planning arrangements were clearly defined and allowed for close alignment of program activities to program objectives;
- management of service providers was active and balanced accountability requirements with an outcomes focus; and
- the performance management framework enabled the department to effectively monitor program progress, the ongoing performance of providers, and make adjustments to service delivery as required.

## Overall conclusion

20. Under the National Framework, the Australian Government, in partnership with the state and territory governments and the not-for-profit sector, committed to a coordinated and cooperative approach in order to break the cycle of disadvantage, and work towards prevention and early intervention to reduce the incidence of child abuse and neglect. Communities for Children (CfC), one of several initiatives funded under the Australian Government's Family Support Program, seeks to contribute to this goal by using community-based services to target the most vulnerable and disadvantaged members in society, with the goal of reducing risk factors and improving family functioning and wellbeing. CfC services initially commenced in 2004, working in 35 disadvantaged communities across Australia. As at October 2012, there were 370 CfC services working across 52 disadvantaged locations in all Australian states and territories, with the exception of the Australian Capital Territory.

21. Reducing the likelihood of child abuse and neglect through a preventative approach represents a significant challenge. To maximise their

effectiveness, government programs need to be well-targeted, have the ability to be tailored to particular community needs and situations, and be well aligned with the overall policy objectives set by government. Since 2009, FaHCSIA has implemented a range of reforms to family and community related programs, designed to reduce fragmentation and better align existing activities to the goals of the National Framework.

**22.** FaHCSIA's management of the implementation of program reforms has been active, and effective improvements have been made. Management of CfC has now been incorporated into the management of the umbrella Family Support Program, which has facilitated alignment between CfC and the goals of the National Framework, and also provided a platform for consistent management of activities. FaHCSIA has also implemented a range of initiatives to simplify funding agreement management and reduce unnecessary requirements, although there is further work to consolidate these changes. Planning arrangements are generally well developed in respect of the CfC Facilitating Partner (CfC FP) model. However, as a result of program reforms which saw the addition of a large range of other similar services into CfC in 2011, further work is required to develop more integrated planning approaches that, reflecting the benefits of collaborative service delivery that underpin the CFC FP model, consider the types of services funded across all CfC streams and confirm the appropriateness of the current distribution of CfC activities.

**23.** Monitoring and reporting arrangements have been established which provide FaHCSIA with information about the implementation of activities on the ground. These arrangements could usefully be augmented by making greater use of site visits to the various community delivery sites. Further, while these arrangements allow for monitoring of providers who are directly contracted to FaHCSIA, they do not allow for a similar level of visibility over the activities of the community organisations who are subcontracted by the lead non-government organisations (NGOs) in the Facilitating Partner model, as the responsibility for providing funding and monitoring performance has been given to the Facilitating Partner on behalf of FaHCSIA. The performance information collected from service providers places FaHCSIA in a good position to monitor the performance of service providers. However, more limited use is made of this information to contribute to continuous improvement of service delivery by providers, for example through sharing better practice insights with providers. Performance information is also collected from providers in relation to service delivery outcomes for people



using the services which, in conjunction with established evaluation arrangements, will facilitate better understanding of the impact of CfC in communities.

**24.** The ANAO has made one recommendation directed towards improved planning and targeting of all CfC service delivery. Aspects of FaHCSIA's grant administration could also be improved. No recommendation on grants administration has been made in this report as FaHCSIA has been included in relevant recommendations made in ANAO Audit Report No. 21 2011–12 *Administration of Grant Reporting Obligations*.

## Key findings by chapter

### Program management arrangements (Chapter 2)

**25.** There are known to be linkages between child maltreatment and levels of economic and social stress which, in turn, are generally prevalent in areas of relative disadvantage. Accordingly, to guide initial planning, and select locations for CfC, FaHCSIA made use of available data from the Australian Bureau of Statistics (ABS), in particular the Socio-Economic Indexes for Areas (SEIFA), to identify areas of relative disadvantage. Similarly, this data was used in subsequent reviews of service locations and complemented by the use of other administrative data held by FaHCSIA, and information from service providers to confirm the alignment of the Activity Delivery Areas (ADA) with the target population. FaHCSIA sought to define the boundaries of ADAs so as to cover a population of at least 40 000 people in each ADA and where 10 per cent of this target population was made up of children under five years of age. As at October 2012 there were 52 ADAs. The majority of these included areas ranked as having the highest relative disadvantage compared to the rest of Australia.

**26.** To promote a more collaborative and integrated approach to service delivery, FaHCSIA has made use of a place-based model of service delivery where a lead organisation, the Facilitating Partner, is engaged to design and oversee the delivery of location-specific services in ADAs. A community committee structure enables the Facilitating Partner to interact with community stakeholders in the design and delivery of services which are delivered through subcontracted community organisations. This model aims to facilitate greater local level collaboration and integration so as to provide more inclusive services for target groups identified as vulnerable and disadvantaged.

27. Following reforms made by the Australian Government in 2011 to a range of community-focused programs, two additional sets of existing services were added to the CfC program. This had the effect of tripling the funding provided under CfC and the development of two additional service delivery streams, CfC Direct Services (CfC Direct) and CfC Indigenous Parenting Services (CfC IPS), alongside the original CfC FP model. FaHCSIA's approach to the planning and distribution of these additional services is not integrated into the place-based model that underpins the CfC program, with the result that there are some ADAs where all three streams of CfC operate but with limited interaction between each other. Now that services have been brought under CfC, developing a more comprehensive approach to planning for CfC services will be a further important administrative reform for FaHCSIA to undertake in the lead up to the new phase of CfC funding which is planned to take effect from July 2014.

28. Community-based grant activities generally involve a high number of delivery partners and are usually dispersed widely. There is growing recognition that integrating the management of a large number of relatively small activities can facilitate a more coordinated approach to service delivery, as well as support more consistent administration. In this respect, FaHCSIA has brought the administration of CfC under the management arrangements of the broader FSP and has allocated responsibilities, such as program design, operations or reporting, to specialised areas which undertake their roles across all parts of the FSP, rather than having a single area maintain responsibility for the complete delivery of CfC activities. This has enabled FaHCSIA to manage a range of activities more consistently, however, the management structure, in which individual sections manage different components of program delivery has led to some segmentation of knowledge within National Office.

### **Communities for Children service delivery (Chapter 3)**

29. As part of broader program reforms initiated by the Australian Government, CfC activities were transitioned from being standalone activities to be part of a more integrated program, the Family Support Program, in 2009. The transition of CfC activities was a key activity to be undertaken by FaHCSIA as one of the Australian Government's implementation commitments under the National Framework, agreed by the Council of Australian Governments (COAG) in 2009. The incorporation of CfC into the FSP was the first phase of a process of consolidating a large number of discrete grant programs to improve their targeting of client groups and streamline

administration. A second phase of reform involving CfC occurred in 2011, when services funded under 18 different grant programs were integrated into CfC. Maintaining a level of stability amongst service providers during the two phases of reform was an important consideration for the Australian Government, and approval was given in both phases to negotiate new funding agreements with existing service providers.

**30.** In choosing selection methods for grant programs, the principal consideration is to adopt a process through which the projects most likely to contribute to the cost-effective achievement of the program's objectives will be consistently and transparently selected for funding consideration. In this context, competitive selection processes are recognised as representing best practice in the context of grants administration, and the Commonwealth Grant Guidelines (CGGs) outline that, unless specifically agreed otherwise, competitive, merit-based selection processes should be used, based upon clearly defined selection criteria.

**31.** In most cases, CfC providers had been initially selected using competitive processes. During the two phases of reform, FaHCSIA, in line with government decisions, undertook non-competitive selection processes, in which existing providers were assessed on the basis of current performance and ability to provide services aligned with the requirements of the FSP. This had the effect of aligning the end dates of all CfC funding agreements and maintaining stability in the services delivered to support the implementation of program reforms. A further effect is that most service providers have now received several funding extensions since their initial selection. In seeking approval for the selection process to be undertaken, FaHCSIA's briefings to the Minister did not refer to any requirements or principles of the CGGs, including the emphasis on using competitive selection processes. In addition, although those briefings identified the providers the department proposed be offered further funding, they did not clearly identify the selection criteria that had been used in reaching the recommendation.

**32.** The CGGs, and related changes to the financial framework legislation, were expected to improve the quality of grants administration and ensure Australian taxpayers receive the best possible value for money from Australian Government grants. Accordingly, it is important that FaHCSIA reflect upon the administration of grant programs that predated the CGGs, including by seeking opportunities to enhance value for money through the adoption of competitive selection processes (at appropriate intervals). The Australian Government is also seeking to improve the accessibility of the Not-for-Profit

sector to grant funding opportunities. Enabling other potential providers to compete for CfC funding would be consistent with that goal, and is possible under the current FSP program guidelines. In this context, as CfC is now in a period of consolidation, and with all existing agreements expiring in June 2014, it would be reasonable to expect FaHCSIA's planning for further grant funding would give appropriate consideration to the use of competitive, merit-based selection processes for future delivery of CfC, and that the reasons to do otherwise would be clearly canvassed in advice provided to government.

## **Performance monitoring and reporting (Chapter 4)**

33. FaHCSIA has established detailed reporting arrangements under its performance framework to gather information from service providers about the performance of CfC activities. Through structured arrangements FaHCSIA receives information about levels of client activity and the types of services used, as well as assessments by service providers about their performance against the requirements of funding agreements. Information is also collected from providers on immediate and intermediate outcomes experienced by people using CfC services. FaHCSIA collects a significant amount of data from service providers, however, the data did not always reflect key aspects of service delivery and service providers had limited awareness of the application of this data. Service providers also informed the ANAO that formal feedback mechanisms, such as the distribution of case studies, best practice examples and information regarding the performance of the program nationally, are currently under developed and would be useful ways to contribute to continuous improvement in service delivery. FaHCSIA could improve its interaction with providers to increase its understanding of the reliability and validity of performance data.

34. Assessing the overall impact of CfC is challenging and, in addition to collecting reliable and relevant performance information, periodic evaluations are an important aspect of performance management. FaHCSIA has implemented a sound evaluation approach by conducting longitudinal evaluations spanning several years. The first phase of the CfC evaluation was completed in 2008, and, in addition to providing FaHCSIA with a view on the impact of CfC, the evaluation also provided a baseline against which further assessments of impact could be made. A second phase of the evaluation is currently underway. This evaluation will draw on the performance information now collected by FaHCSIA from service providers to provide

insight into the specific contributions made by CfC to improvements in community-level indicators of family functioning.

35. FaHCSIA undertakes various monitoring activities to maintain oversight of contracted service providers. Primarily, this takes the form of reporting by service providers, although staff in FaHCSIA's network of state and territory offices undertake a varying level of site visits. In a program like CfC, with dispersed service provision and relatively small and localised activities, site visits can be an effective form of monitoring which enables departments to better understand issues and risks to service delivery outcomes, and also to understand the less tangible results of projects which may not be easily captured in formal reporting. A more systematic approach to site visits would assist the department in its oversight role. In relation to the Facilitating Partner model, FaHCSIA has given the lead NGOs considerable autonomy in their operations. While this allows for a flexible approach to service delivery at the local level, it does expose the department to additional delivery risks, in that FaHCSIA would normally undertake a provider risk assessment in the normal course of engaging a service provider. Under the Facilitating Partner model this is not done as the Community Partner organisations that ultimately deliver services are engaged by the Facilitating Partner. Under current monitoring arrangements FaHCSIA has limited oversight of the relationship between Facilitating Partners and the subcontracted Community Partners. To improve this situation, without unduly restricting flexibility, FaHCSIA could consider options such as regular surveys of Community Partners to gain their perspective on operations and the relationship with Facilitating Partners. Developing and contracting specialised third party monitoring services may also be an option for the department to consider as a way of strengthening its monitoring of on-the-ground delivery.

36. A key initiative undertaken by FaHCSIA as part of streamlining the administration of the FSP has been to reduce red tape. Some positive progress has been made on this initiative with some useful reductions to service provider reporting and efforts to increase electronic reporting. However, other program initiatives have served to increase reporting requirements on providers and consequently reduce the benefits of the administrative streamlining. It will be important for FaHCSIA to continue its efforts to strike an appropriate balance between accountability and outcomes; reviewing the FSP Administrative Approval Requirements is one area where this work could continue.

## Summary of agency response

FaHCSIA provided a formal response to the audit which is contained in full in Appendix 1. A summary of FaHCSIA's response was also provided:

**37.** *FaHCSIA welcomes the ANAO report as an informative and constructive appraisal of FaHCSIA's management of the three Communities for Children activities under the Family Support Program—Communities for Children Facilitating Partner; Communities for Children Direct; and Communities for Children Indigenous Parenting Services.*

**38.** *FaHCSIA aims to provide an integrated suite of family support services. The Family Support Program, created in 2009, brought together a range of children and family service elements and further reforms in 2011 added additional service types to the program. FaHCSIA remains committed to improving the effectiveness of the Family Support Program and its efficient management, and has recently initiated the Family Support Program Future Directions review aimed at strengthening the design, management and delivery of the program. The review will pay particular attention to the level of integration, planning and targeting processes for the three Communities for Children types.*

# Recommendations

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## Recommendation No. 1

### Paragraph 2.15

In order to provide a comprehensive planning approach for the Communities for Children service delivery model, the ANAO recommends that FaHCSIA, as part of developing program arrangements for implementation from July 2014, integrate the planning and targeting processes for the three Communities for Children service delivery types.

**FaHCSIA's response:** Agreed.





## **Audit Findings**

# 1. Introduction

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*This chapter describes the Communities for Children program and related service delivery arrangements. It also outlines child protection arrangements nationally and recent reforms in child protection in Australia. The audit objective, scope and criteria are also provided.*

## Communities for Children

**1.1** Communities for Children (CfC) is a mainstream grants program administered by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), delivering services available to all Australians. The program aims to reduce the impact of family circumstances, such as the unemployment, disability or drug and alcohol addiction of a parent on children's long-term outcomes, in order to support a reduction in the number of children coming into contact with the statutory child protection system. It seeks to achieve this by providing a range of prevention and intervention services for families with children aged from birth to 12 years, who are 'at risk'<sup>17</sup>, who live in disadvantaged communities, and who are disconnected from childhood services. CfC primarily operates using a place-based model<sup>18</sup>, which allows for a more flexible approach to service delivery based on local decision-making to meet the needs of local populations, conditions and circumstances. CfC services are delivered by non-government organisations (NGOs).

**1.2** CfC was originally established in 2004 following a decision by the then Australian Government to establish the Stronger Families and Communities Strategy (2004–08). CfC was one of four streams of the Stronger Families and Communities Strategy, with an allocation of \$110 million for 35 communities over four years. Disadvantage was determined through the analysis of Australian Bureau of Statistics data, in particular the Socio-Economic Indexes for Areas (SEIFA), and data from the Department of Families, Community Services and Indigenous Affairs (now FaHCSIA).

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<sup>17</sup> The term 'at risk' refers to families who exhibit risk factors for child neglect and abuse. Risk factors include, among other things, unemployment, disability and drug and alcohol addiction.

<sup>18</sup> A place-based model involves devolving powers and resources away from central control towards community-based organisations in a geographically and socially appropriate setting to deliver improved outcomes for citizens within a framework of minimum government standards.

**1.3** A key feature of the original CfC was that a lead NGO would be responsible for working with the local community, including other community organisations, to develop a child-friendly community plan. Funding for an initial seven CfC sites was provided under the Stronger Families and Communities Strategy in 2004, and further sites were added in 2005 and 2006, and again in 2009. Activities implemented sought to engage adults in activities with and for their children, and include home visiting, early learning and literacy programs, early development of social and communication skills, parenting and family support programs, and child nutrition.

**1.4** In 2008, the Australian Government commenced a strategy of widespread reform of children, families and communities grant programs to more comprehensively support families and build socially inclusive communities. The rationalisation and restructuring of the community support programs into a better targeted and more integrated set of programs, aimed to improve the program focus on government priorities, increase flexibility in the application of government funds at a local level, and reduce program duplication and administrative costs. The announcement by the Minister for Families, Community Services and Indigenous Affairs of the Family Support Program (FSP) in February 2009, signalled the commencement of a two year transition phase to undertake the reforms.

**1.5** On 1 July 2009, CfC became an activity<sup>19</sup> under the FSP, as one of a suite of activities aimed at supporting the wellbeing of children and families; ensuring children are protected; and contributing to building stronger, more resilient communities. The original model of service delivery described in paragraph 1.3 was transferred into the FSP as the CfC Facilitating Partner (CfC FP) model. Within this model, FaHCSIA provides grant funding to NGOs in targeted locations across Australia, to develop local community-based networks that build on existing community resources, and develop strategies to address acknowledged service gaps. These NGOs are referred to as Facilitating Partners, and are assigned an Activity Delivery Area (ADA)<sup>20</sup> within which they must operate. Facilitating Partners build networks of

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<sup>19</sup> Activity means any tasks, activities services or other purposes for which funding is provided.

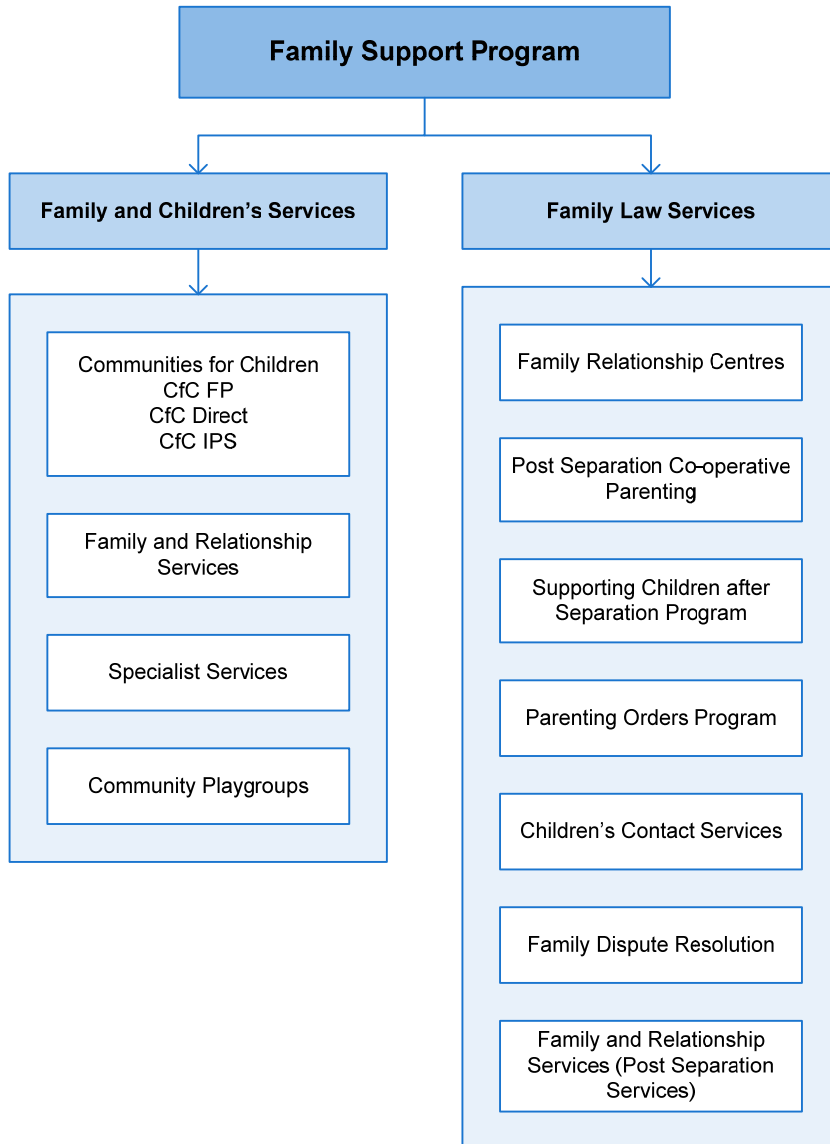
<sup>20</sup> The Activity Delivery Area is based on a population demographic identified using the Australian Standard Geographical Classification (ASGC). The ASGC is used by the Australian Bureau of Statistics (ABS) for the collection and dissemination of geographically classified statistics. The ASGC is used to improve the comparability and usefulness of reporting generally, and ensure that outcomes and statistical data may be comparable to other programs and initiatives.

smaller and/or specialised service providers known as Community Partners, and subcontract them to develop and/or deliver services to meet existing and emerging local priorities. A committee of local community representatives is the key decision-making mechanism that meets to identify community resources, service needs, and gaps in service delivery.

**1.6** During July 2011, FaHCSIA restructured and streamlined the FSP resulting in the addition to the FSP of services that were being delivered under other programs, and collapsed the three FSP streams into two. As part of this process a large number of children and parenting programs were incorporated into CfC, and existing service providers were transitioned to the new service arrangements following an assessment of their performance, and ability to meet the new program requirements. This significantly increased CfC funding and expanded the service delivery types to three service delivery arrangements—CfC Facilitating Partner (CfC FP), CfC Direct Services (CfC Direct), and CfC Indigenous Parenting Services (CfC IPS).<sup>21</sup> As at October 2012 there were 370 CfC service activities funded by FaHCSIA, including 52 CfC FP sites. The current structure of the Family Support Program is at Figure 1.1.

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<sup>21</sup> CfC Direct and CfC IPS do not operate as place-based models as CfC FPs do, but deliver a specific activity in a specified area defined in their funding agreement.

**Figure 1.1****Revised structure of the Family Support Program from 1 July 2011**

Source: ANAO adaptation of diagram from the Department of Families, Housing, Community Services and Indigenous Affairs, *Family Support Program Guidelines Part A*, FaHCSIA, Canberra, 2012, p. 6.

Note: These two streams are also supported by national services including the Family Relationships Advice Line, Family Relationships Online and the Raising Children Network.

**1.7** The Australian Government allocated a total of \$333.456 million to CfC for the three years commencing 2011–12. The distribution of funding for the three CfC service types is shown in Table 1.1.

**Table 1.1**

**Communities for Children funding 2011–2014**

CfC activity type	2011–12 \$m	2012–13 \$m	2013–14 \$m	Total \$m
CfC Facilitating Partners	42.483	49.835	52.699	<b>145.017</b>
CfC Direct Services	32.195	32.480	32.496	<b>97.171</b>
CfC Indigenous Parenting Services	25.824	31.029	34.415	<b>91.268</b>
<b>Total</b>	<b>100.502</b>	<b>113.344</b>	<b>119.610</b>	<b>333.456</b>

Source: FaHCSIA financial information. This table reflects the expected allocations by financial year.

**Communities for Children model**

**1.8** As noted in paragraph 1.6, the expanded CfC incorporates three service delivery arrangements:

- CfC FP—a place-based model in which a Facilitating Partner contracted by FaHCSIA subcontract other NGOs to deliver universal, soft entry services<sup>22</sup> available to all members of the local community, to address community needs within their designated Activity Delivery Area (ADA). Community needs are determined by the Facilitating Partner’s CfC Committee consisting of government and community services representatives;
- CfC Direct—NGOs contracted directly by FaHCSIA to deliver specialist services to families for whom the universal approach is inadequate to meet their multiple and complex needs. The services and activity area are agreed between FaHCSIA and the service provider, and outlined in the funding agreement<sup>23</sup>; and

<sup>22</sup> Soft entry services refer to non-stigmatising ways to engage parents in their own communities (for example, through outreach services like mobile playgroups) or through existing neutral, often universal services such as health clinics, child care centres or schools, or natural gathering places like parks or shopping centres, that is, service provision where families gather in the community.

<sup>23</sup> CfC Direct and IPS do not operate as placed-based models as CfC FPs do, but deliver a specific activity in a specified area defined in their funding agreement.

- CfC IPS—NGOs contracted directly by FaHCSIA to deliver targeted services for highly-vulnerable Indigenous families and children, in a specified area, as agreed between FaHCSIA and the service provider, and outlined in the funding agreement.<sup>24</sup>

Each of these service delivery arrangements aims to contribute to the broader FSP through the delivery of intervention and prevention services in specified areas.

**1.9** CfC services are differentiated by contractual agreements, the method of service delivery, and target groups. CfC Direct and CfC IPS are contracted by FaHCSIA to deliver specialist or Indigenous specific activities in a specified area. Under the CfC FP model however, location-specific services are developed by the Facilitating Partner. FaHCSIA provides multi-year grants to the Facilitating Partner to develop networks that build on existing community resources, and develop strategies to address acknowledged service gaps.

**1.10** Under these arrangements networks of smaller, or more specialised, service providers are subcontracted by the Facilitating Partner to develop and/or deliver a comprehensive suite of mainstream services to meet existing and emerging local priorities. While the decisions regarding service needs and delivery options are made locally, FaHCSIA advised that under this model all decisions are directed towards ‘improving child development, safety and family functioning’ under five specific elements: healthy young families; supporting families and parents; early learning and care; creating strong child-friendly communities; and linking universal services with specialist support services and adult secondary services.

**1.11** A committee of local community representatives is the key decision-making mechanism that works with the Facilitating Partner to identify community resources, service needs, and gaps in service delivery. Committee representation may include staff from FaHCSIA, and state and territory government funded child protection services; universal and specialist services for children; and targeted services for adults including mental health and alcohol and drug rehabilitation services. The committee promotes linkages between these services and secondary adult services that promote better

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<sup>24</sup> IPS includes intensive supported playgroups, case management, literacy/school transition, and nutrition programs. Additionally, in 16 sites in the Northern Territory and APY Lands, Intensive Family Support Services, which is part of IPS, delivers intensive long-term in-home support to families.

parenting practices to limit, or reduce the key risks for children that substance abuse, homelessness and family violence can have on their long-term outcomes.

**1.12** Disadvantage and social exclusion is often driven by chronic or ongoing life difficulties such as poor health, addiction, and disability, which can result in compounding disadvantage and social exclusion situations such as homelessness or contact with the justice system. The rationale of the CfC FP model is that service effectiveness is dependent not only on the nature and number of appropriate services to address disadvantage and social exclusion, but also on linkages between services, collaboration amongst service providers, and the coordination of services within the community. During the restructuring of the FSP in 2011, CfC Direct and CfC IPS, were transitioned to CfC. This resulted in the partial integration of services under CfC, as services funded under the revised groupings continued to operate in existing locations, under existing arrangements.

**1.13** There is mounting evidence that working with an individual experiencing multiple disadvantages and social exclusions through traditional, siloed models is ineffective, and leads to significant economic and social costs.<sup>25</sup> While siloed services may respond effectively to a crisis circumstance in the short-term, they are generally not structured to provide ongoing intervention and long-term support. The CfC FP model aims to link and coordinate services, including those that address a crisis circumstance, with those services that provide the long-term intervention and support that many families need to work through the often chronic, multiple and complex circumstances that have led to the crisis.

**1.14** The CfC FP model also recognises the effect 'place' can have on entrenching disadvantage. Davey-Smith, Dorling and Shaw (2001)<sup>26</sup> in the United Kingdom, and Vinson (2007)<sup>27</sup> in Australia, have argued that place can entrench disadvantage in ways that can have enduring effects spanning generations. Increasingly, location-specific strategies are aimed at addressing

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<sup>25</sup> McDonagh, T, *Tackling homelessness and exclusion: understanding complex lives* [Internet]. Joseph Rowntree Foundation, United Kingdom, 2011, available from <<http://www.jrf.org.uk/publications/tackling-homelessness-and-exclusion>> [accessed 30 August 2012].

<sup>26</sup> Davey-Smith, G, Dorling, D, & Shaw, M, 'Poverty, inequality and health in Britain 1800–2000: A reader', *International Journal of Epidemiology*, 31 (3), 2002, pp. 703–704.

<sup>27</sup> Vinson, T, *Dropping off the edge: The distribution of disadvantage in Australia*, Richmond, Jesuit Social Services and Catholic Social Services, Australia, 2007.



the needs of communities with a high percentage of community members who are experiencing multiple and intergenerational disadvantages. These circumstances are best addressed through locally targeted, coordinated and complementary solutions. In this way, CfC aims to build community capacity to engage in service delivery that improves the community context in which children are growing up. This is to challenge the intergenerational transference of disadvantage within an identified community.

## Child protection in Australia

**1.15** State and territory governments are responsible for statutory, also known as tertiary, intervention in child protection<sup>28</sup>, while the Australian Government implements non-statutory arrangements. These include:

- universal (primary) interventions—strategies that target whole communities to build public resources to attend to the social factors that contribute to child neglect and abuse; and
- targeted (secondary) interventions—strategies that target vulnerable families or children and young people who are at risk of child neglect and abuse, that is, those with special needs.

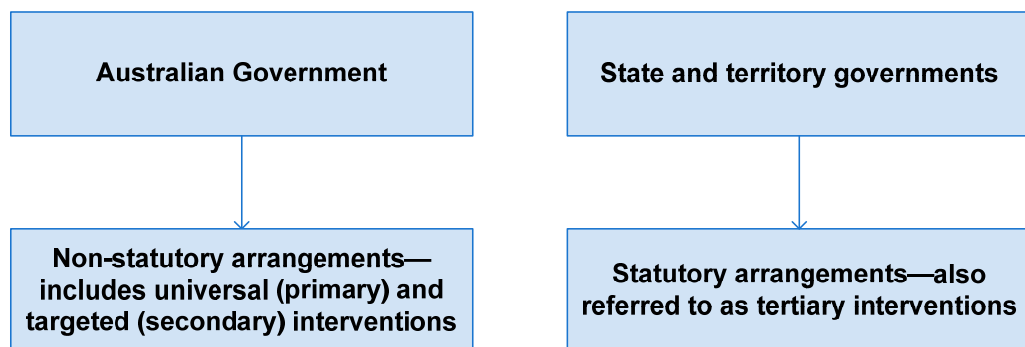
The child protection responsibilities of the Australian, and state and territory governments for child protection are depicted in Figure 1.2.

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<sup>28</sup> Statutory child protection is also referred to as tertiary intervention. Tertiary interventions are strategies that target families in which child neglect or abuse has already occurred. These strategies seek to reduce the long-term implications of neglect and abuse and prevent it from reoccurring.

**Figure 1.2**

**Government responsibilities for child protection in Australia**



Source: ANAO, adapted from information from Australian Research Alliance for Children & Youth, *Working together to prevent child abuse and neglect—a common approach for identifying and responding early to indicators of need*, ARACY, Canberra, 2010, p. 12.

**1.16** An important design feature of CfC is its relationship to the statutory child protection system and, in particular, the opportunities it provides to help reduce the pressure on that system from growing demand for statutory child protection services. *Child Protection Australia*<sup>29</sup>, a report produced annually by the Australian Institute of Health and Welfare (AIHW), provides a comprehensive national analysis of child protection statistics. This report compiles detailed statistical information including the characteristics of children receiving child protection services, trends over time, and factors possibly contributing to changes in statistics. The key descriptors reported are:

- the number of children subject to a notification<sup>30</sup>;
- the number of children subject to a substantiation<sup>31</sup>; and

<sup>29</sup> Australian Institute of Health and Welfare 2012. *Child protection Australia 2010–11*. Child welfare services no. 53. Cat. No. CSW 41. Canberra: AIHW.

<sup>30</sup> Notifications consist of contacts made to an authorised department by persons or other bodies making allegations of child abuse or neglect, child maltreatment or harm to a child.

<sup>31</sup> Substantiation refers to a possible outcome of an investigation of a notification. To substantiate means that there is reasonable cause to believe that the child has been, was being, or was likely to be abused, neglected or otherwise harmed.

- the number of children on care and protection orders and in out-of-home care.<sup>32</sup>

**1.17** Substantiations of notifications are classified nationally into one of the following four categories: physical abuse, sexual abuse, emotional abuse or neglect. *Child Protection Australia* 2010-11 reported that the most common type of substantiated abuse nationally in that period was emotional (36 per cent), followed by neglect (29 per cent), physical (21 per cent), and sexual (14 per cent). Further, that female single parent families represented approximately one third (34 per cent) of the family types in which children, subject to a notification and investigation, were living at the time. This varied greatly in comparison with the general population in 2009-10, where 17 per cent of children, aged from birth to 17 years, were living in one-parent families.<sup>33</sup>

**1.18** Overall, *Child Protection Australia* reports show that the demand for child protection services in Australia has been steadily increasing. Figure 1.3 depicts the increase in the number of children on care and protection orders, and the number of children in out-of-home care, from 2007-08 to 2010-11.<sup>34</sup> While the rate of increase may reflect changes in state and territory policies and processes, increasing community awareness of child neglect and abuse, and broadened definitions of child neglect and abuse, on balance, the trend is that the number of children in child protection systems across Australia is increasing.

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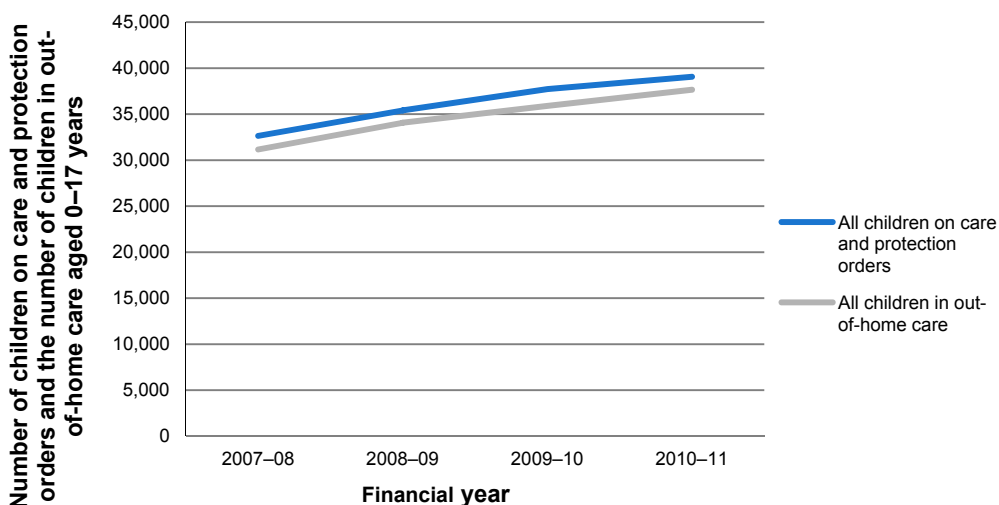
<sup>32</sup> At any point in the child protection process (from notification, through investigation to substantiation), an agency responsible for child protection can apply to the relevant court to place a child on a care and protection order. This may occur in situations where the family resists supervision and counselling, where other avenues for resolution of the situations have been exhausted, or where removal of a child into out-of-home care requires legal authorisation. Out-of-home care provides alternative accommodation for children where parents are incapable of providing adequate care; where alternative accommodation is required during times of family conflict; or where the child is the subject of a substantiation and requires a protective environment.

<sup>33</sup> However, the data reported describes the composition of the family within which the child was living at the time of the notification and does not necessarily reflect that the notification related to the residing parent.

<sup>34</sup> Many children on care and protection orders are in out-of-home care. Differences in data provided by the states and territories should be taken into account when making comparisons and drawing conclusions on totals of state and territory statistics. Australian Institute of Health and Welfare, *Child Protection Australia* 2010-11, AIHW, Canberra, 2011, pp. 1-2.

**Figure 1.3**

**All children on care and protection orders or in out-of-home care, aged from birth to 17 years, from 2007–08 to 2010–11 at 30 June each year**



Source: ANAO analysis from Australian Institute of Health and Welfare (AIHW) reports *Child Protection Australia 2007–08*, *Child Protection Australia 2008–09*, *Child Protection Australia 2009–10* and *Child Protection Australia 2010–11*.

**1.19** The escalation in the number of children on care and protection orders, and in out-of-home care, has significantly increased demand on child protection agencies, and more broadly on government resources. Further, some research indicates that engagement with child protection systems, particularly with out-of-home care, does not protect children from poor long-term outcomes.<sup>35</sup> The recently released AIHW publication, *Children and young people at risk of social exclusion: links between homelessness, child protection and juvenile justice*<sup>36</sup> (November 2012), reports strong evidence that children who suffer abuse or neglect are more likely to engage in future criminal activity, and be over-represented among the homeless.

**1.20** The report proposes several possible reasons for the links between child maltreatment, criminal activity and homelessness. Children who are

<sup>35</sup> Australian Institute of Health and Welfare, *Educational outcomes of children on guardianship or custody orders*, Child Welfare Series no. 42, AIHW, Canberra, 2007.

<sup>36</sup> Australian Institute of Health and Welfare 2012. *Children and young people at risk of social exclusion: links between homelessness, child protection and juvenile justice*. Data linkage series no. 13 Cat. No. CSI 13. Canberra: AIHW.

mistreated typically have parents or guardians who are unable to provide adequate supervision, usually due to economic or social stress, and the lack of adequate supervision increases the child's likelihood to become involved in delinquent activities. Further, children who have come into contact with the child protection system are more likely to be homeless, and often have low levels of education and employment leading to survival crimes such as theft.

**1.21** Addressing the incidence of child neglect and abuse, and the subsequent life trajectory has, therefore, significant social and economic implications. As a result, the focus of CfC is on mainstream intervention and prevention services, targeted in communities identified as suffering economic stress nationally, so as to contribute to a potential reduction in the numbers of children coming into formal contact with the statutory system and requiring tertiary interventions.

**1.22** Reducing the likelihood of child abuse and neglect through a preventative approach represents a significant challenge. The range of factors that contribute to child abuse and neglect is broad and the numbers of children in care, and on protection orders has been increasing. Further, while child protection statistics report the number of children who come into contact with statutory authorities or child protection services, it is often regarded as a conservative estimate of the occurrence of child maltreatment. The Australian Institute of Family Studies (AIFS) reports that child neglect and abuse often goes undetected due to the private nature of the crime, the difficulties children experience in making disclosures and being believed, and the lack of evidence to substantiate the occurrence.<sup>37</sup>

## Recent reforms in child protection

**1.23** In 2009, the Council of Australian Governments (COAG) endorsed *Protecting Children is Everyone's Business: The National Framework for Protecting Australia's Children 2009–20* (the National Framework). The National Framework represents a long-term, nationally coordinated effort by the Australian Government, state and territory governments and the not-for-profit sector to protect the safety and wellbeing of Australia's children.<sup>38</sup> The

<sup>37</sup> <<http://www.aifs.gov.au/cfca/pubs/factsheets/a142086/index.html>> [accessed 7 October 2012].

<sup>38</sup> Council of Australian Governments, *Protecting children is everyone's business: National Framework for Protecting Australia's Children 2009–2020*, COAG, Canberra, 2009.

endorsement of the National Framework represented a significant policy achievement in a number of respects:

- the Australian Government took a leadership role on national child protection matters;
- states and territories agreed to work with the Australian Government and the non-government sector to develop and implement a national approach; and
- the non-government sector was acknowledged as a significant partner in the development of the policy and oversight of the implementation of the National Framework.<sup>39</sup>

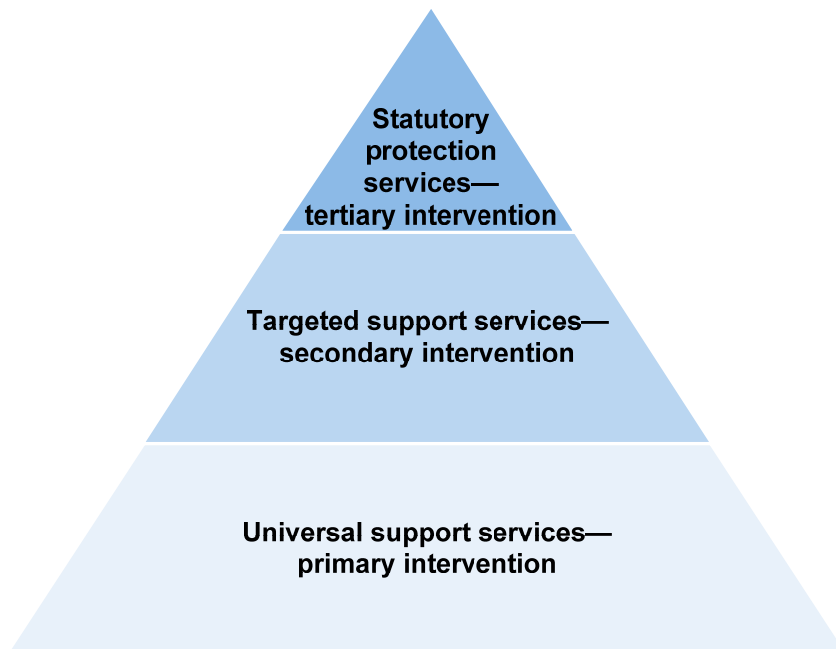
**1.24** At its broadest level the stated goal of the National Framework is 'Australia's children and young people are safe and well' which is to be achieved through a 'substantial reduction in child abuse and neglect over time'. The National Framework is to be delivered in a series of three year action plans with annual reports to the Community and Disability Services Ministerial Council of COAG.

**1.25** The National Framework also represents a major shift in the approach to keeping Australian children safe by placing the priority on universal and targeted intervention rather than on the delivery of statutory protection services for children reported, and/or assessed as neglected and/or abused. This approach is broadly described as a public health model, under which priority is placed on having universal interventions available to all families; targeted interventions for families that need additional support; and tertiary interventions as a last resort.<sup>40</sup> This is illustrated in Figure 1.4.

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<sup>39</sup> Coalition of Organisations Committed to the Safety and Wellbeing of Australia's Children, *From Crisis Response to Prevention*, Coalition of Organisations Committed to the Safety and Wellbeing of Australia's Children, Canberra, 2012, p. 4.

<sup>40</sup> Australian Research Alliance for Children & Youth, *Working together to prevent child abuse and neglect—a common approach for identifying and responding early to indicators of need*, ARACY, Canberra, 2010, pp. 12.

**Figure 1.4****Public health model approach to providing child protection services**

Source: Adapted by ANAO from Australian Research Alliance for Children & Youth, *Working together to prevent child abuse and neglect—a common approach for identifying and responding early to indicators of need*, ARACY, Canberra, 2010, pp. 12–14.

## Reviews of the Communities for Children model

**1.26** There have been a number of program reviews and research initiatives relevant to CfC. These include the three themed studies undertaken as part of the national evaluation (2004–2008) of the Stronger Families and Communities Strategy (2004–2009):

- Engaging hard to reach families and children (2009)<sup>41</sup>;
- Lessons learnt about strengthening Indigenous families and communities (2008)<sup>42</sup>; and
- The Impact of Communities for Children (2009).<sup>43</sup>

<sup>41</sup> Cortis, N, Katz, & I Patulny, *Occasional Paper No 26: Engaging hard-to-reach families and children*, Department of Families, Housing, Community Services and Indigenous Affairs, Canberra, 2009.

<sup>42</sup> Scougall, J, *Occasional Paper No. 19—Lessons learnt about strengthening Indigenous families and communities*, Department of Families, Housing, Community Services and Indigenous Affairs, Canberra, 2008.

**1.27** In July 2010 the Australian National Audit Office (ANAO) audited FaHCSIA's management of the Family Relationships Centres (FRCs)<sup>44</sup>, an initiative under the Family Law Services stream of FSP. FRCs aim to reduce child and family contact with the statutory system by providing information, referral and Family Dispute Resolution services which assist clients to reach agreements and resolve disputes related to family law issues.

## **Audit objective, scope and criteria**

### **Audit objective**

**1.28** The objective of the audit was to assess the effectiveness of FaHCSIA's administration of Communities for Children under the Family Support Program.

### **Audit scope and criteria**

**1.29** The audit focuses on the period from 1 July 2009. This period encompasses:

- finalisation of the first three year Implementation Plan (2009–12) of the National Framework;
- restructuring of the Family Support Program; and
- implementation of revised funding and performance management frameworks for service providers to better target vulnerable and disadvantaged children and families.

**1.30** The three high level criteria used to assess FaHCSIA's performance against the objective were:

- governance and planning arrangements were clearly defined and allowed for close alignment of program activities to program objectives;
- management of service providers was active and balanced accountability requirements with an outcomes focus; and

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<sup>43</sup> Edwards, B, Wise, S, Gray, M, Hayes, A, Katz, I, Misson, S, Patulny, R & K Muir, Occasional Paper No. 25—*Stronger Families in Australia study: The impact of Communities for Children*, FaHCSIA, Canberra, 2009.

<sup>44</sup> ANAO Audit Report No. 1 2010–11, *Implementation of the Family Relationship Centres Initiative*, Canberra, 15 July 2010.



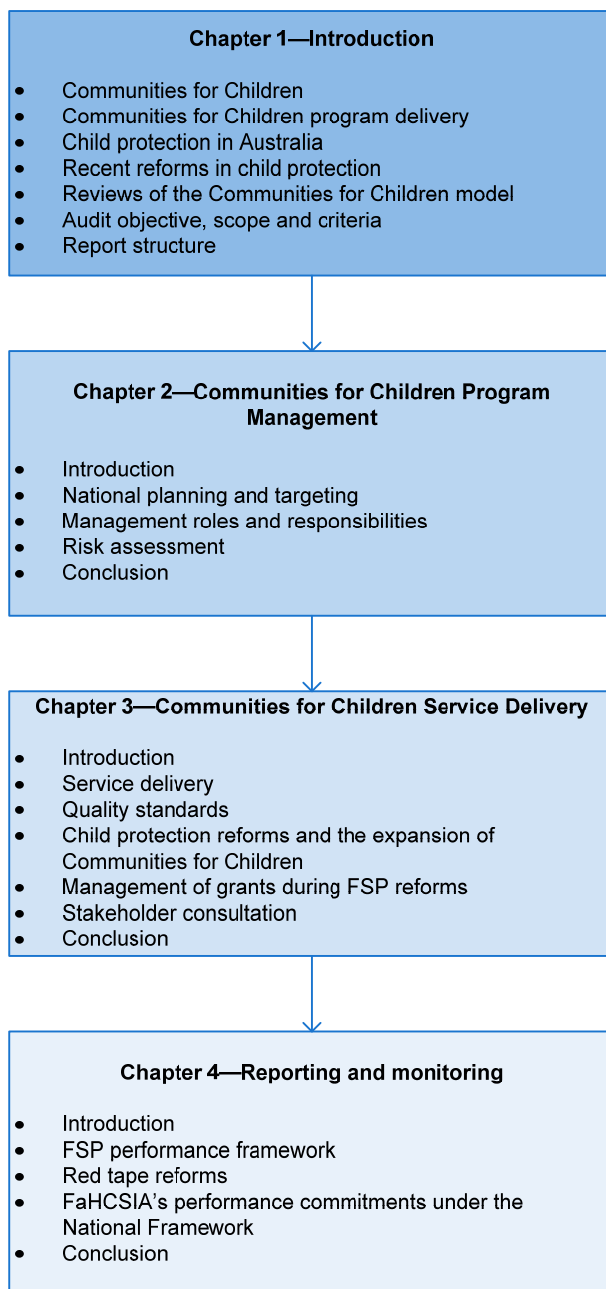
- the performance management framework enabled the department to effectively monitor program progress, the ongoing performance of providers, and make adjustments to service delivery as required.

**1.31** The audit was conducted in accordance with the ANAO Auditing Standards at a cost of \$402 205.

## Report structure

The structure of the report is outlined in Figure 1.5

**Figure 1.5**  
**Report structure**



Source: ANAO.

## 2. Program Management

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*This chapter describes FaHCSIA's program management arrangements for Communities for Children (CfC), including FaHCSIA's planning and targeting of services, the roles and responsibilities within the devolved management arrangements, and FaHCSIA's approach to identifying CfC program risks.*

### Introduction

**2.1** Sound management arrangements are critical to the success of program implementation. For programs where delivery is widely distributed nationally and involves a large number of delivery partners, management arrangements should also facilitate consistency in administrative approaches. Consideration needs to be given to appropriate planning and targeting of program activities; the roles and responsibilities of those involved; and, the identification and management of risks. The ANAO has considered these elements in relation to the overall management of CfC.

### National planning and targeting

**2.2** CfC activities aim to target areas of disadvantage, to improve service access by vulnerable and disadvantaged people in those locations, to moderate or reduce the life circumstances for families which can lead to neglect and abuse. Disadvantage is considered as a relative measure based on circumstances prevailing in particular locations and communities. Having a transparent and repeatable approach to defining disadvantage is an important aspect of the program which also allows for comparisons to be made over time on factors of disadvantage. While such a comparison will not necessarily provide insight into the impact of program activities, when used in conjunction with program performance indicators it can assist in prioritising particular communities for future services. (FaHCSIA's approach to performance measurement and impact is discussed in Chapter Four).

**2.3** As noted in paragraphs 1.1 and 1.3, CfC was originally implemented as a place-based program, delivered via the Facilitating Partner model of service delivery. CfC was subsequently expanded to include other service types from 1 July 2011, as part of the restructuring of the Family Support Program (FSP). At the establishment of CfC, and subsequently, with the establishment of additional CfC FP sites, FaHCSIA conducted an analysis of areas of community disadvantage to locate services.

## CfC Facilitating Partner site selection

**2.4** Each CfC Facilitating Partner site operates within an Activity Delivery Area (ADA), which is defined by the Australian Standard Geographical Classification. The Australian Standard Geographical Classification is a system used by the Australian Bureau of Statistics (ABS) to provide a common geographical framework for the collection and compilation of statistics, which are derived from the National Census.<sup>45</sup>

**2.5** ADAs were identified by FaHCSIA as the program expanded from 2004 and 2006, and were again considered as part of the program review conducted by FaHCSIA in 2009 to support the development of the Family Support Program (FSP). ADAs serve to define areas of disadvantage relative to the community more broadly. Relative disadvantage is assessed through the ABS Socio-Economic Indexes for Areas (SEIFA). The SEIFA is derived from National Census information and summarises different aspects of socioeconomic conditions by geographic area. There are four different indexes, and for each index, each geographic area in Australia is given a SEIFA number showing how the socioeconomic conditions in the area compare with other areas in Australia.<sup>46</sup> To support the selection of CfC locations in 2009, FaHCSIA used the Index of Socio-economic Disadvantage from 2006<sup>47</sup> SEIFA data to analyse and rank the levels of disadvantage in Statistical Local Areas<sup>48</sup> within ADAs. This index is based on variables related to disadvantage such as low income, low educational attainment, unemployment and dwellings without motor vehicles.

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<sup>45</sup> Australian Bureau of Statistics, 1216.0 – Australian Standard Geographical Classification (ASGC) [Internet]. ABS, Australia, 2001, available from <<http://www.abs.gov.au/Ausstats/abs@.nsf/0/D4356C3C2C1773F6CA256AD4007F67EB?opendocument>> [accessed 30 July 2012].

<sup>46</sup> The indexes include: Index of Relative Socio-economic Disadvantage; Index of Relative Socio-economic Advantage and Disadvantage; Index of Economic Resources; and Index of Education and Occupation. Australian Bureau of Statistics, 2039.0 – Information Paper: An introduction to Socio-Economic Indexes for Areas (SEIFA) [Internet]. ABS, Australia, 2006, available from <<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/2039.0Main%20Features42006?opendocument&tabname=Summary&prodn=2039.0&issue=2006&num=&view=>>> [accessed 30 July 2012].

<sup>47</sup> The SEIFA is based on National Census data. The most recent SEIFA data available at the time of FaHCSIA's analysis was based on 2006 National Census data. New SEIFA data from the 2011 National Census will be available in March 2013.

<sup>48</sup> A Statistical Local Area is a defined area for the purpose of allocating SEIFA scores. SEIFA scores were allocated to 1395 SLAs in Australia from 2006 National Census data. SEIFA scores are also allocated for other levels of area, for example larger areas such as Local Government Areas and states and territories.

**2.6** In addition to the application of the SEIFA data to determine disadvantage, FaHCSIA analysed the following factors to identify priority communities:

- the percentages of one parent families, households in which a language other than English is spoken, unemployed people, Indigenous people and people in state or territory housing in the area compared with the national average;
- the percentage of children aged from birth to four years and from five to fourteen years in the area compared to the national average (with preference for ADAs with approximately 10 per cent of the population consisting of children aged from birth to five years);
- the population of ADAs (FaHCSIA gave preference to ADAs that contained populations of at least 40 000)<sup>49</sup>;
- the number of families in the proposed ADA receiving the maximum rate of Family Tax Benefit Part A; and
- other factors, such as services and resources available in the proposed ADA and public transport access.

The distribution of ADAs in relation to disadvantage is shown in Table 2.1. Most of the ADAs contain at least one Statistical Local Area that falls within the highest 25 per cent of the most disadvantaged areas comparative to other Statistical Local Areas nationally.

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<sup>49</sup> This analysis was undertaken prior to the target age for CfC services being extended in 2009 to children aged up to 12 years.

**Table 2.1****Comparison of Communities for Children ADAs by level of disadvantage nationally as at 2009**

Level of relative disadvantage ranked in groups of 25 per cent	Number of CfC ADAs (compared to other areas nationally)
Highest 25 per cent of disadvantage (ranked in 0–25 per cent range)	30
Second highest 25 per cent of disadvantage (ranked in 26–50 per cent range)	12
Third highest 25 per cent of disadvantage (ranked in 51–75 per cent range)	2
Lowest 25 per cent of disadvantage (ranked in 76–100 per cent range)	0
<b>Total<sup>1</sup></b>	<b>44</b>

Source: ANAO analysis of FaHCSIA's internal analysis of CfC Facilitating Partner ADAs as at 2009.

Note: SEIFA is allocated at different levels of areas. ANAO has used the Statistical Local Areas rankings, as used by FaHCSIA in their analysis, as the basis of this analysis. As CfC ADAs do not match with the division of areas for SEIFA, some ADAs contain several Statistical Local Areas. ANAO has selected the Statistical Local Area ranked as the most disadvantaged within each ADA for this analysis to be representative of the ADA as a whole. While some ADAs contain a significant variance of more or less disadvantaged Statistical Local Areas, less disadvantaged areas may have been included in an ADA due to their geographical proximity to highly disadvantaged areas, as well as due to other considerations, which are outlined below. ADAs are not based on SEIFA alone.

Note 1: The Inner North Canberra site was excluded from this table, as funding was discontinued for this site after 30 June 2009.

**2.7** The analysis of SEIFA, and other national data, to identify disadvantage provides a structured strategy to assess local circumstances, rank proposed CfC sites, and to direct planning. The strategy also provides a geographical link to funding. For a national program of multiple elements, the strategy enables assessment of Australian Government funding contributed to a defined area, and can also improve the comparability of CfC data with other programs and initiatives similarly funded.

**2.8** However, the five yearly nature of National Census data and the time required to prepare relevant data subsets, means that opportunities to assess changes in outcomes for children and families associated with levels of identified disadvantage, occur over extended time cycles, which are often longer than program funding cycles. Current funding arrangements with providers expire in June 2014, and new SEIFA data, based on the 2011 National Census is expected to become available in March 2013. It will be important for FaHCSIA to put in place early a review of updated SEIFA data, so as to be in a position to analyse any changes that may require a redistribution of service

delivery types prior to entering into new funding arrangements for the period from July 2014.

## **Local planning and targeting of CfC Facilitating Partner services**

**2.9** Local planning and decision-making and a collaborative approach to service delivery are features of the original CfC Facilitating Partner (CfC FP) service delivery model, with the Facilitating Partner and their committee identifying community needs and determining the mix of services which best meet these needs. Local planning is formalised in a Community Strategic Plan. In addition to describing the Facilitating Partner's vision and goals for the community, the Community Strategic Plan requires a clear description of key community needs, and the proposed strategies to improve access and services to vulnerable and disadvantaged families including Indigenous families and their children. It also identifies proposed strategies to improve access and services for families impacted by changes to Parenting Payment eligibility requirements<sup>50</sup> and, where applicable, young parents and jobless families.

**2.10** ABS data is also used by Facilitating Partners in their planning process. Demographic variables such as the number of families in receipt of family and welfare assistance and the ages of their children, recipients of child care and medical benefit payments, and the number and ages of children from culturally and linguistically diverse groups, are all collated by the ABS within Australian Standard Geographical Classification areas. This data provides objective measures to guide the number, nature and location of services within the ADA.

**2.11** The restructuring of the FSP in 2011 involved the rationalisation of 18 FaHCSIA programs, and the restructuring of these programs as CfC Direct Services (CfC Direct) and CfC Indigenous Parenting Services (CfC IPS). CfC Direct was an amalgamation of eight discrete grant programs individually delivering family and parenting programs; while 10 Indigenous-specific child and family programs were merged to establish CfC IPS. Prior to the merging of these services, FaHCSIA conducted a service mapping and needs analysis exercise which determined that the individual services were well located and

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<sup>50</sup> As part of the 2012–13 Budget, the Australian Government introduced changes to the Parenting Payment. Under the changes all single, unemployed parents will lose the payment when their youngest child turns eight; and for unemployed, partnered parents the payment will stop when their youngest child turns six. These changes have been supported by changes to participation requirements with all parents on Parenting Payments and Newstart Allowance eligible for individually tailored employment services.

aligned with the purpose and intent of the FSP. Additionally, FaHCSIA reviewed the services to determine whether the organisations were performing effectively. This review did not consider the relationship of the organisation with other providers, nor the total service distribution for the particular area of operation. Therefore, when CfC Direct and CfC IPS were integrated into CfC, as elements of the Family Support Program (FSP), no concurrent national redistribution of the CfC service types occurred. As a consequence many ADAs include services funded under all three service types with little relationship with each other.

**2.12** FaHCSIA informed the ANAO that different CfC service types respond to different levels of disadvantage and risk and are not a duplication of services in an area. FaHCSIA advised that each of the three CfC service delivery types is targeted at specific populations. However, multiple CfC services operating in one delivery area is not fully consistent with the CfC FP model of service delivery, which emphasises the importance of a coordinated approach to service delivery. Furthermore, an evaluation commissioned by FaHCSIA on the impact of CfC was completed in 2008. Among other findings (see paragraphs 4.9 and 4.10), the evaluation concluded that an additional positive effect from delivering integrated and collaborative services could be identified ‘... over and above the provision of new, stand-alone services ...’.<sup>51</sup> CfC FPs and their committee, consisting of various community representatives, are responsible for identifying the greatest priorities within their community, based on local knowledge, and subsequently cater for these through chosen service activities. The CfC FP model is also intended to increase collaboration between services in the community, resulting in more holistic and linked service provision to families.

**2.13** By funding multiple CfC service delivery types in one location, the CfC FP model is potentially weakened by:

- Facilitating Partners having only partial access to and oversight of the funding available within their sites for community priorities. This could reduce their flexibility to respond to local community needs and/or increase their coordination responsibilities;

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<sup>51</sup> Department of Families, Housing, Community Services and Indigenous Affairs, *Occasional Paper No 25, Stronger Families in Australia study: the impact of Communities for Children*, 2009, p. x.



- competition between CfC FP, CfC Direct and CfC IPS service providers for clients and/or activities, due to separate reporting to individually demonstrate performance to FaHCSIA. This could reduce collaboration between providers, resulting in less integrated service delivery; and
- services delivered by CfC Direct and CfC IPS providers may not be aligned with the community priorities identified by CfC FPs and their CfC committees.

**2.14** The operation of all three models in one location raises a risk of a surplus of service arrangements in particular areas, and gaps in others. To ensure the most efficient and appropriate allocation of services funded under CfC, a more integrated approach to planning service delivery is warranted. Such an approach would not preclude the operation of specialist services, rather it would support arrangements to ensure that service delivery of all CfC service types is consistently targeted and coordinated, and that all services operate collaboratively.

## Recommendation No.1

**2.15** In order to provide a comprehensive Communities for Children service delivery model, the ANAO recommends FaHCSIA, as part of developing program arrangements for implementation from July 2014, integrate the planning and targeting processes for the three Communities for Children service delivery types.

### FaHCSIA Response

**2.16** *Agreed. FaHCSIA supports the recommendation and agrees that there is a need to improve the level of integration, of planning and targeting processes for the three Communities for Children service delivery types.*

## Management roles and responsibilities

### FaHCSIA's approach

**2.17** FaHCSIA's Common Business Model for Grants Management (the Common Business Model) provides a department-wide management structure for all FaHCSIA grant programs. Under these arrangements, program management responsibilities are divided between the two main departmental structures: National Office in Canberra, and FaHCSIA's structure of state and territory offices, referred to as the Network. CfC operates within this structure with National Office responsible for developing the overarching documents,

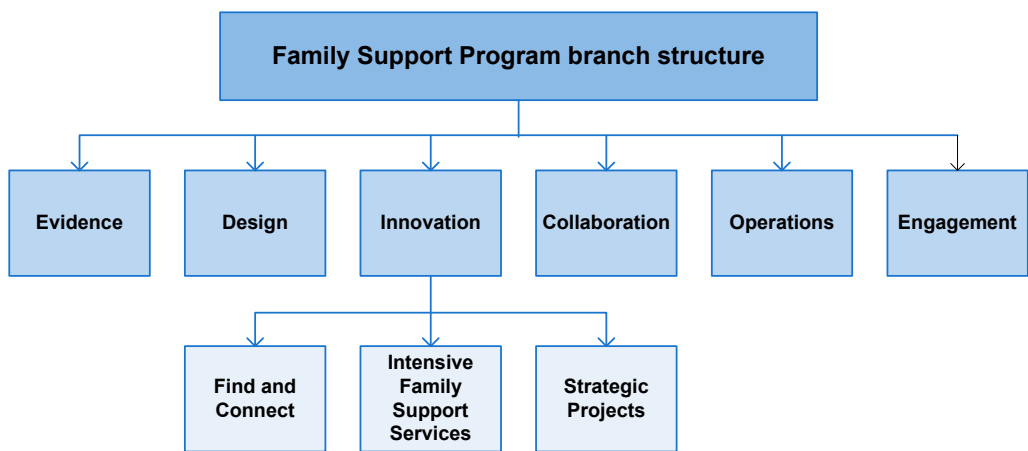
tools and processes for program management, while the Network is primarily responsible for funding processes and direct service provider management, as discussed in the following sections.

**FaHCSIA National Office responsibilities**

**2.18** From 2009, CfC management has been located within the management arrangements of the broader Family Support Program (FSP), in the FSP Branch of FaHCSIA National Office. Within these arrangements, overall responsibility for the management of CfC, and more broadly FSP, is distributed across a number of sections within the branch. For example, issues regarding funding agreements and support to the Network are the responsibility of the Operations area, and data management, performance reporting templates and surveys are the responsibility of the Evidence section. Figure 2.1 illustrates the FSP branch structure.

**Figure 2.1**

**Family Support Program branch structure within FaHCSIA**



Source: Adapted from FaHCSIA’s Families Group Structure outline.

**2.19** Collectively FSP provides a suite of grants to provide a more targeted, flexible funding pool to increase access and responsiveness to vulnerable and disadvantaged children and families. The overall responsibility for this is coordinated through the FSP Branch. The allocation of specific content and decision-making roles across the FSP Branch reflects a desire by FaHCSIA to have a consistent approach to all program elements of FSP, and to manage FSP as one broad FaHCSIA initiative.

**2.20** Consistent with the Common Business Model, FaHCSIA National Office has developed a suite of overarching governance materials and associated tools for the FSP. These documents include:

- FSP Program Logic, which details CfC inputs, target groups, service delivery outputs, service delivery quality, immediate outcomes, intermediate outcomes and FaHCSIA-wide outcomes. The CfC FP Program Logic is a separate document, which illustrates the role of the Facilitating Partner, the process of subcontracting services and CfC activities;
- FSP Program Guidelines Part A, B and C, which describe the structure and role of FSP, information on grant application, assessment and selection, and information on performance management and reporting;
- FSP standard funding agreement, which outlines general terms and conditions of grants;
- FSP Performance Framework, which provides a simple matrix of objectives, performance indicators, data collection requirements and methods; and
- FSP risk monitoring and management templates.

**2.21** The documents listed above provide relevant documentation for the overall management of CfC within the broader FSP, and provide appropriate guidance for the roles and responsibilities of National Office, the Network and service providers.

## **FaHCSIA Network responsibilities**

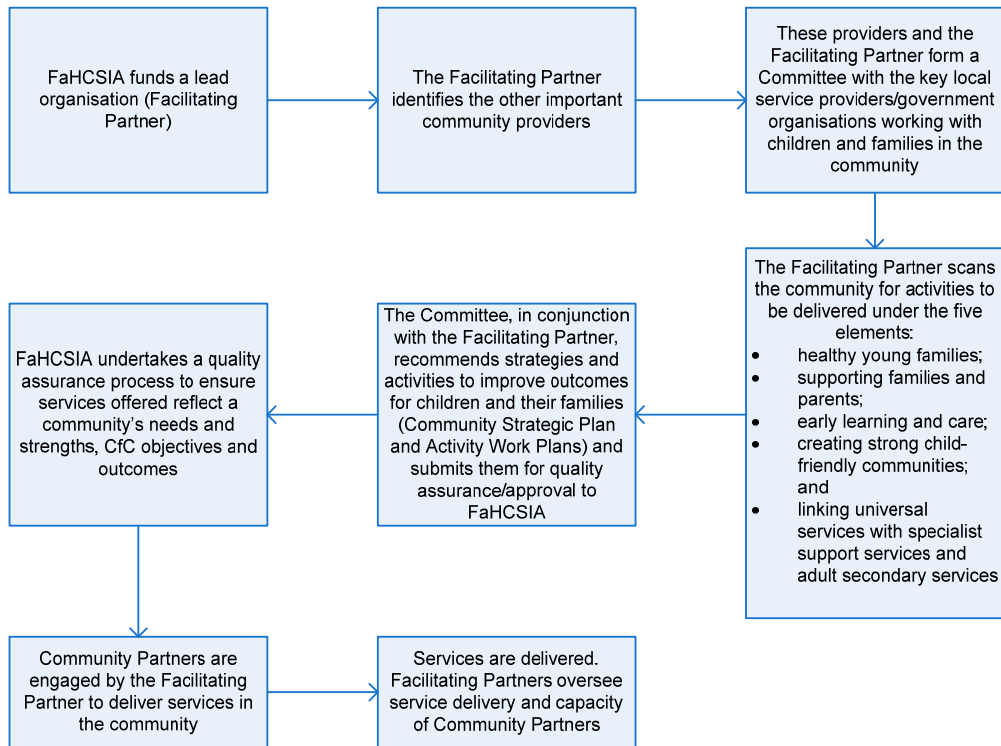
**2.22** Under FaHCSIA's Common Business Model, Network staff, often referred to as Agreement Managers, have primary responsibility for the management of service providers and funding processes, as follows:

- providing feedback to National Office regarding gaps, linkages and overlaps with other agencies, programs and other levels of government for inclusion and consideration in national reviews and evaluation;
- directly liaising with service providers to ensure issues are resolved at a local level;
- ongoing performance monitoring including site visits to ensure program outcomes are being achieved;

- annually reviewing and authorising relevant CfC service delivery documentation to ensure that services within their jurisdiction reflect community needs and strengths;
- providing advice to successful and unsuccessful grant applicants and preparation of relevant funding agreements, schedules and letters of offer;
- entering funding agreements into FaHCSIA's Online Funding Management System (FOFMS) and amending risk profiles as required; and
- authorising and releasing funds.

## **Responsibilities of Facilitating Partners**

**2.23** Under the CfC FP model, FaHCSIA funds individual and consortia of non-government organisations (NGOs) to develop and implement, with local stakeholders, a strategic and sustainable, whole-of-community approach to service delivery within their designated ADA. The Facilitating Partners determine the nature and number of services for their ADA, and allocate funds through subcontracting arrangements with other NGOs to deliver the services specified. In this respect, Facilitating Partners are relevant to CfC's management arrangements. The process for allocating funding for CfC activities through Facilitating Partners is illustrated in Figure 2.2.

**Figure 2.2****Communities for Children Facilitating Partner key steps**

Source: Adapted from FaHCSIA's Communities for Children Facilitating Partner Program Logic document.

**2.24** As illustrated in Figure 2.2 the Facilitating Partner is required to establish a CfC committee. The CfC committee is a voluntary representative group, comprising the Facilitating Partner and other community representatives with an interest in child wellbeing and family functioning.<sup>52</sup> The committee representatives work together to develop a Community Strategic Plan. This plan incorporates evidence of community and service mapping, including: community demographics and relevant social issues; community engagement strategies that describe how the Facilitating Partner will link with existing, local government and non-government services in the

<sup>52</sup> FaHCSIA documentation indicates that the CfC committee should reflect the characteristics and demographics of the CfC site and give particular consideration to strategies or alternative mechanisms to engage representation and/or participation by Indigenous people, people from culturally and linguistically diverse communities and others who do not readily participate in formal committees. Where possible this should include representation from parents; non-government service providers; early childhood/family/community specialists; and Australian, State/Territory and Local Government.

coordination of holistic service delivery; and management arrangements to support these strategies. Within the designated ADA, the Facilitating Partner, on behalf of FaHCSIA, has overall responsibility for identifying community service gaps and determining the number, nature, location and contractual arrangements for service delivery.

**2.25** Service delivery arrangements are detailed in an Activity Work Plan, derived from the strategies detailed in their Community Strategic Plan. FaHCSIA Network staff provide a quality assurance process to ensure that services offered reflect community needs and strengths, CfC objectives and outcomes. Facilitating Partners then subcontract Community Partners to deliver these activities, or, alternatively, Facilitating Partners can choose to develop and deliver services.

**2.26** The Facilitating Partner oversees service delivery, including the management of reporting and acquittal processes. In addition, Facilitating Partners are also required, as part of five deliverables in their 2011–14 funding agreement<sup>53</sup>, to ‘support the process of capacity development of children and families service sector within the region to ensure the delivery of improved and sustainable outcomes for vulnerable and disadvantaged families’. FaHCSIA’s oversight and monitoring of the Facilitating Partner and relationship with the Community Partners is outlined in Chapter 4.

## **Interaction between National Office the Network and Facilitating Partners**

**2.27** FaHCSIA’s Common Business Model emphasises the value of integrating service delivery across programs and across government agencies where appropriate. This approach highlights the need to develop links between FaHCSIA programs to improve the impact of services across key target groups and ensure holistic responses to community, family and individual needs. Consistent with this approach, national management of CfC has been integrated into the FSP management structure, and sections within the Family Support Program Branch are structured to focus on one or more program deliverables as referred to in Figure 2.1.

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<sup>53</sup> Facilitating Partners have five deliverables summarised as follows: engagement with stakeholders; use of a whole-of-community approach; prioritisation of service delivery to vulnerable and disadvantaged children and families and at risk children; assessment of gaps and opportunities in the child and family services sector; and support of capacity development of the children and families sector in their region.

**2.28** The delineation of broader program responsibility in this manner can be an effective strategy for allocating staff responsibilities and ensuring consistency in the application of departmental procedures across a broader program. Decentralising responsibility for grant management and monitoring increases the ability to bring local knowledge to bear and support effective communication between funding agencies and recipients. However, in arrangements such as these, there is also the risk that program knowledge is segmented across sections or divisions within a branch or an agency, or that communication between National Office and the Network is ad hoc. In such circumstances an effective, formal communication strategy within National Office and between National Office and the Network becomes important.

**2.29** FaHCSIA advised that the following formal and informal communication strategies have been implemented to facilitate an integrated approach to program management:

- branch activities including weekly Branch meetings, fortnightly Branch Section Managers' meetings, and weekly Section meetings to ensure clear communication between individuals and sections within the Branch;
- National Office/Network strategies, including fortnightly teleconferences, with prior advice of agenda items including agenda items proposed by the Network; six weekly teleconferences with Network Managers attended by Branch Section managers and the Branch manager; quarterly face-to-face meetings between FaHCSIA state and territory managers and senior FaHCSIA staff at the Families Forum; and site visits with Network staff to service providers;
- an FSP Mailbox for email inquiries requiring a written response; and
- the development of a quarterly FSP newsletter with the assistance of a steering group, including service provider representatives. The newsletter is a recent development first published online in November 2012.

**2.30** Under existing arrangements, several FSP Branch sections communicate directly with the Network and with CfC service providers. A number of service providers interviewed by the ANAO reported that communication from multiple National Office program areas could be confusing, indicating a preference for receiving information from their Network Agreement Manager. This approach is generally supported by the

Common Business Model, which indicates that it is the responsibility of the Network to liaise with providers as required on day-to-day issues, for example, to answer questions and resolve issues at the local level.

**2.31** FaHCSIA's Common Business Model outlines respective roles and responsibilities of FaHCSIA National Office and Network offices in relation to the delivery of programs, and provides appropriate guidance on these responsibilities. However, FaHCSIA's approach is designed on a fairly traditional model of a direct relationship with a contracted service provider. While this accurately reflects the arrangements for two of the three CfC streams, CfC Direct and CfC IPS, the CfC FP stream has served to move a range of functions outside of the responsibilities envisaged in the Common Business Model, and placed them with a contracted service provider. The Facilitating Partner operates with considerable autonomy from FaHCSIA and, as discussed in Chapter 4, FaHCSIA does not have full visibility over these activities.

## Risk assessment

**2.32** Sound risk assessment processes are fundamental to the effective management of grant programs, and programs should include a framework to identify and treat, or minimise risks that may adversely impact on the achievement of grant outcomes. FaHCSIA's Program Risk Management Process incorporates a department-wide, generic approach to risk management. The current FaHCSIA program risk management tools were developed and released for application in September 2009. These tools aim to assess program-wide risks, and specific service delivery risks.

### Assessment of program risk

**2.33** FaHCSIA uses a single tool, the *Program Design Risk Assessment Tool*, to identify risk for all FaHCSIA programs. The *Program Design Risk Assessment Tool* is a computer aided application which aims to identify risk in five risk streams or program areas: governance; financial management; viability; performance management; and issues management. The application generates risk ratings and control strategies from a predetermined list and focuses on internal risks relating to the department's approach to program management.

**2.34** CfC management arrangements are embedded in the broader FSP and, as such, CfC's Risk Management Plan is incorporated in the overall FSP risk management strategy. The FSP Risk Assessment approved on 1 January 2011, and due for review on 30 June 2012, indicates that FaHCSIA assesses all FSP



program risk areas as low. Consistent with the model, if a program risk area is identified as low risk, no control strategies are required. A summary of FaHCSIA's risk assessment for the FSP is presented in Table 2.2:

**Table 2.2**

**Family Support Program risk assessment as at 1 January 2011**

Risk area	Risk level	Risk area/ issues management	Yes	No	Don't know	Supporting comments
Governance	Low	Is a process in place that fosters continuous improvement, by identifying gaps in program design and delivery?	✓			Ongoing analysis will be undertaken during the life of the program
Financial management	Low	Is there a process in place for agreement managers and providers to identify, record and escalate issues?	✓			Processes well established between providers, STOs and National Office
Viability	Low	Is an effective communication model established to support two-way communication and consultation with stakeholders?	✓			FSP Stakeholder Engagement Strategy developed and in use
Performance management	Low	Has a process been established for a periodical review of program documentation assessing changes to programs and services delivery environment?	✓			Program documentation details process for review
Issues management	Low	Have appropriate processes been put in place to address stakeholder concerns with the final program design?	✓			Consultation processes well established between providers, peak organisations, STOs and National Office

Source: ANAO adaptation of a table outlining FaHCSIA's risk assessment for the FSP as at 1 January 2011.

## Management of service delivery risk

**2.35** To complement the assessment of program management risk, FaHCSIA Network staff complete a risk assessment of service providers, and assess

service delivery risk by using the *Provider Capacity Risk Assessment Tool*, and the *Service Delivery Monitoring Tool*, guided by information from the *Service Delivery Monitoring Site Visit Resources Tool*.

### ***Service provider risk assessment***

**2.36** The *Provider Capacity Risk Assessment Tool* seeks to identify and manage risks associated with the service provider's ability to deliver funded activities. FaHCSIA guidelines recommend this assessment be conducted at one, or all three, of the following program phases:

- selection process—on shortlisted applicants for grants funding;
- renewal of existing funding arrangements where the department wishes to continue funding a particular organisation; and
- update of existing provider capacity risk assessment based on changes to the program and service delivery environment.

**2.37** Similar to the *Program Design Risk Assessment Tool*, the *Provider Capacity Risk Assessment Tool* is a computer aided program, with computer generated risk attributes and consequences, in the five key program risk areas.

### ***Service delivery risk assessment***

**2.38** FaHCSIA's uses two strategies or tools for monitoring funded activities—the *Service Delivery Monitoring Tool*, and the *Service Delivery Monitoring Site Visit Resources*. The *Service Delivery Monitoring Tool* is an Excel-based application which FaHCSIA Network staff use to manage funding agreements. The tool aims to integrate various FaHCSIA monitoring processes, tools and templates to support the monitoring of funded activities into a single framework. This is to provide a standardised approach to assessing service delivery information within FaHCSIA. It also operates as a mechanism to collect individual program assessment information on a central system.

**2.39** The *Service Delivery Monitoring Site Visit Resources* tool comprises two parts: Site Visit Details Template; and Site Visit Questions Template. The Site Visit Details Template provides a process for program data-collection including:

- service provider and program details and the names and contact details of relevant staff involved;
- any program issues, which are recorded in the Issues Management section, including the frequency, impact and risk of these; and

- finalised actions which incorporate individuals or groups responsible for remediation, the schedule for remediation and any comments.

The Site Visit Questions Template provides practical support to complete the Site Visit Details. It provides examples of questions to elicit relevant information, for example, under the governance section, ‘have there been any changes to the service provider’s Constitution, Board or relevant governing structure?’ Table 2.3 presents FaHCSIA’s summarised risk assessment for all CfC Facilitating Partners at August 2012.

**Table 2.3**

**Summary of risk assessment for CfC Facilitating Partners at August 2012**

Risk summary	Financial management	Governance	Issues management	Performance management	Viability
Low	45	48	48	45	50
Moderate	6	3	3	7	2
High	1	1	1	0	0
<b>Total</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>

Source: ANAO analysis of data provided by FaHCSIA.

***Provider assessed risk***

**2.40** While FaHCSIA assesses and monitors risks for service providers, FaHCSIA also expects service providers to identify and manage their own risks. The *Family Support Program Guidelines Part A*, requires service providers to:

- identify and document risks in delivering services funded under FSP;
- identify and document risk control strategies; and
- implement adequate and effective policies and procedures to manage risks and achieve the control strategies through the funded period.

**2.41** Facilitating Partners are not required to submit this risk assessment to FaHCSIA or report on it, and FaHCSIA therefore does not regularly have national visibility over the service providers’ self-assessments. To the extent that departmental staff may have different perspectives on risk than service provider staff, if this information was provided to FaHCSIA with other required planning documentation, such as the Community Strategic Plan and Activity Work Plan, it would provide a further avenue for FaHCSIA to monitor service provider risks, and to calibrate its own risk assessment with

those prepared by the service providers. In this way a more complete assessment of delivery risks could be obtained

## **Risks in the CfC Facilitating Partner model**

**2.42** The risk assessment process outlined in the previous sections provides assessment of program specific risks. CfC however, exhibits two broader strategic risks which were not identified in FaHCSIA's risk assessment processes, but are beginning to be addressed by FaHCSIA. The first arises from the amalgamation of a number of discrete programs under CfC Direct and CfC IPS and subsequent integration of these services into CfC, at which point no review of service location, relative to existing CfC FP sites was conducted. Secondly, and closely linked to the design strength of CfC, is the capacity risk of service providers.

### ***CfC footprint***

**2.43** CfC currently incorporates three service delivery arrangements, with each stream funded individually. For the period, 2011 to 2014, CfC Direct and CfC IPS receive \$97.17m and \$91.27m respectively, with a total of \$188.44m. For the same period, CfC FP will receive \$145.02m. In effect, more than 50 per cent of funds allocated to CfC is allocated to grant programs, which, in some instances, operate independently of the place-based arrangements originally developed in the CfC FP model. As noted in paragraph 2.14, this complicates the ability to integrate planning and delivery under all three CfC streams, and results in more than one CfC service delivery model operating in one area. Further as the primary objective of the FSP is to provide integrated services for families, it is important that FaHCSIA's planning and targeting for FSP component activities is consistent with this objective. FaHCSIA has raised planning for CfC activities in the recently released *Family Support Program Future Directions Discussion Paper*<sup>54</sup>, and is currently receiving submissions from the sector.

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<sup>54</sup> <http://www.fahcsia.gov.au/families-and-children/feature/family-support-program-discussion-paper> [accessed 12 December 2012].

### *CfC service provider capability*

**2.44** *The national evaluation of the Communities for Children initiative*<sup>55</sup>, reported that the success of the CfC FP approach had been highly dependent on the qualifications, skills, experience and personalities of the project manager, staff and volunteers. The evaluation further referred to 'Facilitating Partners being challenged' if the organisational standards of the Facilitating Partner were limited.

**2.45** FaHCSIA has developed two strategies to build provider capability. The first strategy is the Building Capacity, Building Bridges (BCBB) project, which is being delivered in 12 CfC sites with high Indigenous populations over a four year period. The project involves working with services to develop best practice examples to:

- enhance ways of working with children and families in traditionally adult-focused services;
- strengthen interagency collaboration to provide more holistic services to families where there is a high risk of children being abused and neglected; and
- support services to manage organisational change, service redesign, and process re-engineering of service provider roles.

The project also includes accredited training to develop the skills of community service workers. The strategy is led and implemented by the Australian Centre for Child Protection.<sup>56</sup>

**2.46** The second strategy requires Facilitating Partners, as one of five deliverables in their current 2011–14 funding agreement, to 'support the process of capacity development of the children and families service sector within the region to ensure the delivery of improved and sustainable outcomes for vulnerable and disadvantaged families'. Assessment of this requirement is referenced in the funding agreement as a Performance Indicator. FaHCSIA conducts an annual Partner Survey to gather information about collaboration

<sup>55</sup> Muir, K, Katz, I, Edwards, B, Gray, M, Wise, S and A Hayes, *The national evaluation of the Communities for Children initiative* [Internet], Australian Institute of Family Studies, Australia, 2010, available from <http://auditcentral.anao.local/Topics/PASG/pam/Documents/Part%203%20Report%20Writing%20and%20Publications%20Guide.pdf> [accessed 28 August 2012].

<sup>56</sup> The Australian Centre for Child Protection is a national research centre working to develop evidence-based approaches to the prevention of, and response to child abuse and neglect. The Centre is based in the University of South Australia.

and partnerships between FSP-funded organisations, and other organisations in the service sector; however FaHCSIA does not specifically require Facilitating Partners to nominate their Community Partners to take part in the survey. A survey of Community Partners may be a practical way to assess the effectiveness of this capacity building strategy, and/or identify any professional development requirements.

## Conclusion

**2.47** There are known to be linkages between child maltreatment and levels of economic and social stress which, in turn, are generally prevalent in areas of relative disadvantage. Accordingly, to guide initial planning, and select locations for CfC, FaHCSIA made use of available data from the ABS, in particular the Socio-Economic Indexes for Areas, to identify areas of relative disadvantage. Similarly, this data was used in subsequent reviews of service locations and complemented by the use of other administrative data held by FaHCSIA, and information from service providers to confirm the alignment of the ADAs with the target population. FaHCSIA sought to define the boundaries of ADAs so as to cover a population of at least 40 000 people in each ADA and where 10 percent of this target population was made up of children under five years of age. As at October 2012 there were 52 ADAs. The majority of these included areas ranked as having the highest relative disadvantage compared to the rest of Australia.

**2.48** To promote a more collaborative and integrated service delivery, FaHCSIA has made use of a place-based model of service delivery where a lead organisation, the Facilitating Partner, is engaged to design and oversee the delivery of location-specific services in ADAs. A community committee structure enables the Facilitating Partner to interact with community stakeholders in the design and delivery of services which are delivered through subcontracted community organisations. This model aims to facilitate greater local level collaboration and integration so as to provide more inclusive services for target groups identified as vulnerable and disadvantaged.

**2.49** Following reforms made by the Australian Government in 2011 to a range of community-focussed programs, two additional sets of existing services were added to the CfC program. This had the effect of tripling the funding provided under CfC and the development of two additional service delivery streams, CfC Direct and CfC IPS, alongside the original CfC FP model. FaHCSIA's approach to the planning and distribution of these additional services is not yet integrated into the place-based model that underpins the

CfC program, with the result that there are some ADAs where all three streams of CfC operate but with limited interaction between each other. Now that services have been brought under CfC, developing a more comprehensive approach to planning for CfC services will be a further important administrative reform for FaHCSIA to undertake in the lead up to the new phase of CfC funding which is planned to take effect from July 2014.

**2.50** Community-based grant activities generally involve a high number of delivery partners and are usually dispersed widely. There is growing recognition that integrating the management of a large number of relatively small activities can facilitate a more coordinated approach to service delivery, as well as support more consistent administration. In this respect, FaHCSIA has brought the administration of CfC under the management arrangements of the broader FSP and has allocated responsibilities, such as program design, operations or reporting, to specialised areas, which undertake their roles across all parts of the FSP, rather than having a single area maintain responsibility for the complete delivery of CfC activities. This has enabled FaHCSIA to manage a range of activities more consistently, however, the management structure, in which individual sections manage different components of program delivery, has led to some segmentation of knowledge within National Office.

## 3. Service delivery

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*This chapter describes Communities for Children (CfC) service delivery types, the selection of CfC service providers, and service quality standards. It also describes recent child protection reforms, the associated expansion of CfC to meet these reforms, and FaHCSIA's management of CfC during the program expansion and transition to the Family Support Program (FSP). It also outlines FaHCSIA's engagement with stakeholders during the transition.*

### Introduction

**3.1** Communities for Children (CfC) services are delivered in areas of socioeconomic disadvantage with a significant population of families with young children to 12 years of age. Significant program reforms have occurred since the commencement of CfC which has required active management by FaHCSIA. As a result of these reforms there are now three different CfC service delivery types involving a total of 370 services nationally.

### Service structure

#### Service delivery types

**3.2** From 1 July 2011, CfC activities have been delivered by non-government organisations (NGOs), operating as one of three CfC service delivery types: CfC Facilitating Partner (CfC FP), CfC Direct Services (CfC Direct), and CfC Indigenous Parenting Services (CfC IPS). Each service delivery type is an element of the broader FSP and aims to contribute to the overall objective of FSP, which is, 'to provide integrated services for families, particularly vulnerable and disadvantaged families, to improve child wellbeing and development, safety and family functioning'.

#### Selection of service providers—CfC Facilitating Partners

**3.3** The CfC FP model was established in three funding rounds. Round one with seven sites was established in 2004, round two led to 28 sites being established in 2005, and round three established a further ten sites in 2006. Round one sites were identified by direct selection in April 2004 for the initial trial locations. For round two and round three sites, FaHCSIA conducted an open competitive selection process. Round two sites were advertised in national and metropolitan newspapers in June 2004 with successful applicants notified in November 2004: round three sites were advertised in late



April/early May 2005 with the announcement of successful applicants in August 2005. On 1 July 2009, CfC became an activity<sup>57</sup> under the FSP, and a further seven CfC FP sites were established. To select service providers for these sites FaHCSIA used a select tender process, identifying organisations that had previously demonstrated the capacity to deliver elements of the FSP model, and seeking proposals from them that were later assessed by FaHCSIA.

**3.4** As part of the continuing reform to streamline the management of children, families and community grant programs, a further 18 FaHCSIA grant programs were incorporated into CfC on 1 July 2011. To differentiate the new service delivery type from the existing CfC FP services, the additional programs were categorised as either CfC Direct or CfC IPS. CfC Direct provides specialist services such as counselling or therapy services: CfC IPS provides targeted services for highly vulnerable Indigenous children and families, and includes intensive supported playgroups, case management, literacy and school transition, and nutrition programs. The transitional arrangements for these programs to CfC is discussed in paragraphs 3.18 to 3.21. Service providers delivering the services had initially been selected through competitive processes, held in different years, under their respective arrangements.

### **CfC funding agreements**

**3.5** CfC services are supported by funding agreements with service providers. Under current agreements, which expire on 30 June 2014, payment of funds is specified in the Standard Funding Schedule. The Standard Funding Schedule sets out the annual grant allocation, as well as the performance milestones, reporting requirements and payment schedule. Currently, CfC providers receive 50 per cent of their annual grant allocation in July, with the remaining 50 per cent paid in January following the successful completion or provision of:

- performance reports;
- an independently audited financial acquittal; and
- a satisfactory Vulnerable and Disadvantaged Access Strategy (VADCAS), and where applicable, an Indigenous Access Strategy.

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<sup>57</sup> Activity means any tasks, activities services or other purposes for which funding is provided.

CfC funding agreements also detail grant payments for the forward years, 2012 to 2014, and outline due dates for all reporting requirements, financial acquittals and payments.

**3.6** As part of the common governance documentation for the FSP, FaHCSIA developed a standard funding agreement for all FSP services, including the three CfC services, implemented from July 2011. For service providers delivering more than one FSP activity, this means that one funding schedule covers all FSP funded activities. This approach simplifies funding documents and grant administration. With only one schedule, service providers:

- complete one annual financial audit for their single agreement covering all FSP activities, reduced from one per agreement for each activity;
- complete standardised reporting requirements rather than separate, individual reports for each service activity;
- have one calendar of events for reporting and acquittal for all activities; and
- are expected to have reduced costs associated with legal and auditing fees.

**3.7** For each CfC service type, FaHCSIA enters into contractual arrangements with a single provider only. The FSP Guidelines advise that where 'two or more agencies seek funding as a consortia, a member organisation must be appointed as the lead member'.<sup>58</sup> The FSP guidelines and FaHCSIA's standard funding agreement clearly outline requirements for consortium arrangements, including legal processes and how the relationship will operate.<sup>59</sup> FaHCSIA has defined the requirements for consortia arrangements in their direct funding agreements, but has been less prescriptive on subcontracting and funding arrangements in the CfC FP model. While FaHCSIA provides some guidance on the subcontracting arrangements central to the CfC FP model, the Facilitating Partner retains significant autonomy over subcontracting and funding arrangements, and there are no agreements between FaHCSIA and the community organisation that deliver services under

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<sup>58</sup> The lead member being the legal entity that enters into a Funding Agreement with the Commonwealth and which is authorised to negotiate and act on behalf of, and to bind each member of the consortium. Service delivery members of the consortium must be approved and listed in the Funding Agreement.

<sup>59</sup> Item 28 Subcontractors in the FSP Terms and Conditions Standard Funding agreement refers.

the CfC FP model. (FaHCSIA's monitoring of service providers is discussed in Chapter 4).

**3.8** There are some tensions between Facilitating Partners and their Community Partners around funding agreements which FaHCSIA could address. While Facilitating Partners operate under three year funding arrangements, albeit based on the successful completion of reporting and acquittal requirements, Community Partners generally operate under annual agreements. In this respect, the potential benefits of greater predictability of funding and longer timeframes against which to formulate projects have not been passed through the whole system. Additionally, if funding approval from FaHCSIA was delayed for any reason, due, for example, to requirements for revisions or adjustments to the Facilitating Partner's planning or reporting documents, advice regarding confirmation or cessation of funding for Community Partners can be further delayed. For small providers, adjustment to changes in funding arrangements can be difficult, particularly in relation to operational issues such as lease agreements and security of employment for staff.

## Grant Guidelines

**3.9** The Commonwealth Grant Guidelines (CGGs)<sup>60</sup> require Australian Government agencies to develop and maintain guidelines for the operation of grant programs. As one element of the FSP, CfC activities are governed by the FSP grant guidelines and FaHCSIA has current guidelines in place for the FSP. These were approved by the Minister for Families, Community Services and Indigenous Affairs in April 2011 following consultation between FaHCSIA and the Department of Finance and Deregulation (Finance).<sup>61</sup> These guidelines replaced earlier guidelines developed in 2009.

**3.10** The current FSP Program Guidelines (the Guidelines) are published in three parts:

- *Family Support Program Guidelines Part A*: Effective January 2012, provides an overview of FSP and associated activities, including roles

<sup>60</sup> Department of Finance and Deregulation, *Commonwealth Grant Guidelines, Policies and Principles for Grants Administration*, July 2009.

<sup>61</sup> Under the Commonwealth Grant Guidelines where a change is proposed to guidelines for an existing grant program, agencies are required to consult the Department of Finance and Deregulation to determine whether approval by the Expenditure Review Committee is required for the new guidelines.

and responsibilities of service providers, risk management, performance framework, description of all FSP programs and a glossary of terms used by FaHCSIA within the FSP;

- *Family Support Program Guidelines Part B: Information for Applicants*: Effective December 2011, provides information on the grant application, assessment, eligibility, selection and complaints processes, and the financial and funding agreement arrangements for the FSP; and
- *Family Support Program Family and Children's Services Part C: Communities for Children*: Effective July 2011, provides specific information on the CfC activity, selection criteria, and performance management and reporting.<sup>62</sup>

**3.11** The Guidelines are written in plain English and provide clear information for applicants. As required by the CGGs, this set of documents details the outcomes and objectives, roles and responsibilities, funding and selection processes, performance monitoring and reporting, evaluation and complaint handling mechanisms for the program.

**3.12** The Standard Funding Agreement complements the FSP Guidelines by outlining the terms and conditions of funding received from FaHCSIA. It also clearly defines the obligations of funded bodies, referring to the relevant activity schedule for more detailed information, and the requirements and rules regarding funding, assets, material and information, working with vulnerable persons, dealing with risk, terminating the agreement and other legal matters. The Guidelines and Standard Funding Agreement are publicly accessible on FaHCSIA's website.

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<sup>62</sup> There is also a further document for the Indigenous Parenting Services sub-program for CfC, called *Family Support Program Family and Children's Services Part C: Communities for Children Indigenous Parenting Services*.

**3.13** In terms of selection processes for grants, the CGGs note that ‘... unless specifically agreed otherwise, competitive, merit-based selection processes should be used, based on clearly defined selection criteria.’<sup>63</sup> This is not a mandatory requirement and depending on the policy objective being addressed, other selection options have been adopted by agencies (see paragraph 3.25). FaHCSIA’s FSP Guidelines identify the following selection options:

- open competitive selection process, which is to be open to all providers operating in the market place and will be widely advertised;
- restricted selection process, which is to be used when there are few providers available due to highly specialised services being required, geographical considerations, specific expertise required or time constraints;
- direct selection process, which involves directly approaching an existing high performing provider to expand their current service delivery activities or deliver new services. Selection would involve assessment of a providers’ current performance and an assessment of a provider’s capacity to deliver an expanded or new service through assessment against selection criteria;
- renew process, through which FaHCSIA would create a new funding agreement to continue the same service delivery activities to the same customers with existing service providers. Assessment of suitability is to be completed internally by FaHCSIA, and be based on past performance in delivering the service to the target group; and
- expression of interest process, which aims to identify eligible providers who would then be invited to submit a more detailed application.

**3.14** Current funding agreements for CfC providers were in place prior to July 2011 and, as a result, no selections have been made to date using these guidelines. The existing funding agreements expire in June 2014 and FaHCSIA will need to choose a selection process as part of its planning for future grants rounds. In this respect, FaHCSIA’s Guidelines note that the choice of selection process will be at FaHCSIA’s discretion and, effectively, equal weighting is

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<sup>63</sup> Department of Finance and Deregulation, *Commonwealth Grant Guidelines, Policies and Principles for Grants Administration*, July 2009, p.29.

given in the FSP Guidelines to the different options. This approach does not fully accord with the emphasis given in the CGGs to the use of competitive, merit-based processes as the preferred selection process. A further consideration is that the Australian Government's reform directions to strengthen the contribution of the Not-for-Profit sector encourage improving the sector's accessibility to grant funding opportunities. An open competitive process would be expected to assist in this regard.

## Quality standards

**3.15** To promote a level of consistency in service delivery all FSP service providers are required to adhere to the FSP Administrative Approval Requirements (AARs). FaHCSIA introduced the AARs in 2011 to establish a minimum standard of service delivery; provide uniformity in service standards; and, to minimise the risk to client safety and organisational viability across the FSP. The AARs are a set of 15 quality assurance standards intended to ensure a minimum level of quality in services. The 15 standards fall under five key categories:

- leadership and governance;
- strategy, policy and planning;
- information and analysis;
- people, client focus, processes, products and services; and
- organisational performance.

From 1 July 2011, compliance with the AARs was included in all CfC funding agreements. CfC service providers were required to progressively comply with this requirement, prior to formal compliance reporting required as part of their performance reports from 1 July 2012.

**3.16** The collective application of the AARs provides assurances to FaHCSIA in relation to elements of service provider performance. However, in some cases, it also adds a further compliance requirement on providers which may already be required to demonstrate various compliance matters to state and territory regulatory agencies in relation to service standards, or internally to their governing boards on governance matters. There may be opportunities for FaHCSIA to leverage off existing requirements through reviewing and harmonising the requirements it has established under the AARs.

## Child protection reforms and the expansion of CfC

### The National Framework

**3.17** In April 2009, COAG endorsed the National Framework directing its implementation through a series of three year action plans. The first of these plans (2009–12) identified *Joined up service delivery* as one of 12 National Priorities.<sup>64</sup> Actions specified under the National Priority of *Joined up service delivery* directed FaHCSIA to ‘fully transition all existing CfC sites to the FSP and deliver integrated services’, and ‘align existing CfC sites to target the most disadvantaged communities’, to provide intensive early intervention and prevention support to vulnerable families and children at risk of entering the child protection system.

### Transition of CfC to the Family Support Program from 2009

**3.18** With the announcement of the FSP to be implemented from 1 July 2009, the Stronger Families and Communities Strategy and a number of associated grant programs were rationalised into three new programs. These were the Family Support Program, the Financial Management Program, and the Community Investment Program. The creation of the FSP was designed to provide a holistic and integrated collection of family, parenting and children activities to more effectively assist families with complex needs. CfC FP was one of these activities (see paragraphs 1.4 and 1.5).

**3.19** The creation of the FSP was a significant program reform in support of Australian Government policy. In deciding to transition existing activities to the FSP, the Government gave consideration to the impact the transition could have on existing service delivery arrangements with providers, and noted the benefit of stability in this part of the reform. The transition of providers was then included as one of FaHCSIA’s deliverables under the 2009–12 National Framework Implementation Plan agreed by COAG. Following specific approval by the Minister in February 2009, FaHCSIA offered all existing CfC FP organisations a two year period to 30 June 2011 to transition to the new arrangements. To be considered for further funding under the FSP, providers were required to submit a Strategic Transition Plan and a Community Strategic Plan which were assessed by FaHCSIA as part of the approval process.

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<sup>64</sup> Council of Australian Governments, *Implementing the first three-year action plan, 2009–12*, COAG, Canberra, 2009.

**3.20** The Strategic Transition Plan was to outline the provider's long-term vision for their site under FSP, what they would do in the short-term to transition service arrangements, what activities they would continue and their approach for developing a Community Strategic Plan. The Community Strategic Plan was to outline how the provider could better target and coordinate services in their ADA for vulnerable and disadvantaged families and children, and how they could work strategically to improve service accessibility, responsiveness and outcomes for this client group.<sup>65</sup>

**3.21** Following the assessment of these plans by FaHCSIA, all existing Facilitating Partners were transitioned to the FSP and entered into new funding agreements for the period 2009–11. This enabled FaHCSIA to meet the targets of the 2009–12 National Framework Implementation Plan to 'fully transition all existing CfC sites to the FSP and deliver integrated services', and 'align existing CfC sites to target the most disadvantaged communities'.

### **Expansion of CfC service delivery arrangements from 2011**

**3.22** On 3 November 2010, the Australian Government announced further reforms to the FSP to better align it with the goals of the National Framework. The changes to be implemented from 1 July 2011 included streamlining children, families and community grant programs to increase flexibility to meet families' needs.<sup>66</sup> As discussed in paragraphs 1.5 and 1.6, the three FSP streams established in 2009 were reduced to two: Family and Children's Services and Family Law Services (illustrated at Figure 1.1), with all FaHCSIA programs transferred to the Family and Children's Services stream of the FSP.<sup>67</sup>

**3.23** Through the process of streamlining programs, 18 other families-focused programs were integrated into CfC. Of these programs, the broad-based programs were renamed CfC Direct Services, and Indigenous-focused programs were renamed CfC Indigenous Parenting

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<sup>65</sup> Department of Families, Housing, Community Services and Indigenous Affairs, Family Support Program Community Strategic Plan, FaHCSIA, Canberra, 2012.

<sup>66</sup> Other changes announced as part of the reforms included: streamlining funding agreements for service providers; reducing red tape and paperwork for service providers; requiring service providers to ensure they are prioritising vulnerable and disadvantaged families; and allowing for increased flexibility and creativity for service providers to adapt to meet the local needs of children and families.

<sup>67</sup> The FSP is a joint initiative between FaHCSIA and the Attorney-General's Department (AGD). Under these arrangements AGD retains policy responsibility and appropriation for the Family Law Stream, however FaHCSIA manages the contractual arrangements with organisations funded to deliver services under the Family Support Program.



Services (IPS). Additionally, another seven CfC FP sites were added through a competitive selection process. Streamlining the FSP resulted in the significant expansion of CfC, increasing from 44 CfC FP services on 30 June 2009 (receiving \$30.9 million) to 370 CfC services (CfC FP, Direct and IPS) in 2011–12 (receiving \$101m) operating across Australia.

## Management of grants during Family Support Program reforms

**3.24** The Commonwealth Grant Guidelines (CGGs) acknowledge that granting activity can, in some cases, ‘... support the ongoing delivery of services, with funding provided to the same or similar organisation more or less continually over a period of years’.<sup>68</sup> However, as noted in paragraph 3.13, the CGGs also emphasise the importance of agencies choosing selection methods that promote open, transparent and equitable access to grants and establish as a principle that ‘... except unless specifically agreed otherwise, competitive merit-based selection processes should be used.’<sup>69</sup>

**3.25** Using an open, competitive grant selection process, where all applications are assessed using a common appraisal process is considered better practice,<sup>70</sup> although not mandatory, and other forms of selection process have been used by agencies. These include:

- a non-competitive open process under which applications may be submitted at any time over the life of the program and are assessed individually against the selection criteria set down for the program, with funding decisions in relation to each application being determined without reference to the comparative merits of other applications;
- targeted, or restricted competitive funding rounds open to a small number of potential funding recipients based on the specialised requirements of the program or project under consideration;
- a demand-driven process under which applications that satisfy stated eligibility criteria receive funding, up to the limit of available

<sup>68</sup> Department of Finance and Deregulation, *Commonwealth Grant Guidelines, Policies and Principles for Grants Administration*, July 2009. p.19.

<sup>69</sup> *ibid.*, pp. 21 and 29.

<sup>70</sup> *Ibid.*, p.29.

appropriations and subject to revision, suspension or abolition of the program; or

- one-off grants to be determined on an ad-hoc basis (usually by Ministerial decision, including by Cabinet).<sup>71</sup>

**3.26** The current group of CfC FP organisations have been awarded grants under a combination of selection methods, including direct selection for the initial seven trial sites in 2004, followed by openly advertised rounds in 2005 and 2006. As part of the reforms to create the FSP in 2009, the Australian Government agreed to offer existing CfC FP organisations the opportunity to apply for further funding (see paragraph 3.19). In the subsequent FSP reforms which took effect from 1 July 2011, CfC FP organisations were offered further extensions to June 2014. Also, as part of this reform, providers who had been engaged under the range of different grant programs that were subsequently incorporated into the FSP, had their funding agreements extended prior to being amalgamated into CfC on 1 July 2011. As a result all organisations funded under CfC have funding agreements that expire in June 2014.

**3.27** As noted in paragraph 3.24, specific agreement should be obtained to use a selection process other than a competitive process. To give effect to the administrative reforms to the FSP announced by the Australian Government, FaHCSIA sought approval from the Minister for Families, Community Services and Indigenous Affairs (the Minister) in April 2010, to streamline and rationalise services, and to extend funding agreements to existing service providers. To be eligible for an extension, service providers would be required to implement additional measures to demonstrate their alignment to the new FSP direction, and have their current performance assessed. The Minister provided in-principle agreement in June 2010 to provide a further three years of funding to projects aligned to the new direction of the FSP, but requested further advice on services and service regions that may require change, in which case a targeted selection process could be undertaken in these areas.

**3.28** FaHCSIA subsequently undertook a needs analysis which examined the performance of service providers against consistent criteria, and provided further advice to the Minister in November 2010 and February 2011. The latter advice recommending that no services or regions required a level of change that would warrant a further selection process, and advised that service

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<sup>71</sup> ANAO, *Implementing Better Practice Grants Administration*, June 2010. p.44.

providers were meeting their obligations under the current funding agreements. FaHCSIA then received the Minister's approval in March 2011 to make offers to 281 CfC service providers for further funding to June 2014.

**3.29** FaHCSIA advised that the rationale for renewing existing funding agreements in both 2009 and 2011 was to maintain stability in the sector, and to ensure continuity of services for families through a period of reform. Furthermore, the extensions also assisted in streamlining the administrative arrangements under the FSP so that all providers' agreements expire on the same date, rather than having a range of different funding periods and expiry dates. Nonetheless, it is the case that most CfC service providers have received a number of grant extensions since their original selection by FaHCSIA, and selection processes have tended to be non-competitive processes in which providers have been assessed on their performance, but not in relation to other providers.

**3.30** Under the CGGs agencies are required to advise Ministers of the requirements of the guidelines. This will necessarily involve advising on the policy aspects and obligations set out in the Financial Management Act (FMA) Regulations.<sup>72</sup> Briefs provided by FaHCSIA to the Minister seeking approval did not routinely include reference to the CGGs, and in this context the preference for uncompetitive selection processes. Briefings would also normally be expected to indicate the selection criteria used to reach decisions. Although FaHCSIA's briefings identified the providers the department proposed be offered further funding, they did not clearly identify the criteria that had been used in coming to conclusions about which providers had performed, and those that had not. The ANAO has examined agency compliance with grant reporting obligations in Audit Report 21 (2011–12). The report notes, in general, that agency advice to approvers on the CGGs is an aspect of grants administration that is often poorly complied with.<sup>73</sup> The report also notes, in relation to the use of competitive selection processes, that the majority of grant selection processes examined in the audit, were not undertaken as competitive processes.<sup>74</sup>

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<sup>72</sup> ANAO, Audit Report No. 21 2011–12, *Administration of Grant Reporting Obligations*, p 47.

<sup>73</sup> *ibid.*, p. 49.

<sup>74</sup> *ibid.*, p. 55. The audit sample included ministerial briefings relating to Communities for Children and the Family Support Program.

## **Prioritising access for the most vulnerable and disadvantaged**

**3.31** Two of the changes announced as part of the FSP reforms for 1 July 2011 were: that FSP service providers would prioritise program access to the most vulnerable and disadvantaged families in their communities; and, do so through holistic service delivery based on collaboration with other service providers. FaHCSIA defines vulnerable families as those subject to:

‘poor outcomes due to current circumstances (for example, high conflict separation or divorce) or because they lack things like parenting and relationship skills, safety, income, health and time as well as human, social and psychological capital. It is the lack of these types of resources, rather than family type or characteristic itself, which increases the likelihood of poor outcomes for these families.’

**3.32** To substantiate their commitment to their revised arrangements, FaHCSIA required all CfC Direct and IPS service providers to complete a Vulnerable and Disadvantaged Client Access Strategy (VADCAS) for submission to FaHCSIA prior to 17 December 2011. The completion of the VADCAS required service providers to demonstrate how they could strategically improve service accessibility, responsiveness and outcomes for vulnerable and disadvantaged families, in response to the FSP reforms.<sup>75</sup> The VADCAS also required completion of an Indigenous Access Plan requiring a provider determined annual percentage target for Indigenous clients, as well as strategies to achieve the target.

**3.33** The Indigenous Access Plan supports the Australian Government’s commitment to Closing the Gap in Indigenous Disadvantage. Nationally, the majority of Indigenous Australians live in urban and regional centres; however, mainstream Australian Government services in these areas remain significantly underutilised by Indigenous Australians. The Indigenous Access Plan and Indigenous Access Target sought to increase engagement and access to programs by Indigenous Australians by requiring services to be accountable to their population demographic. In addition, mainstream CfC services are expected to collaborate with local Indigenous services in order to increase access by Indigenous Australians to mainstream services.

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<sup>75</sup> Facilitating Partners were not required to complete a VADCAS, however, were required to complete a Community Strategic Plan, which covers similar principles.

**3.34** The VADCAS and Indigenous Access Plan required documentation of the following:

- community profile—a demographic overview of the provider’s ADA;
- relationships with other organisations—outlining a description of existing relationships with other relevant organisations and major stakeholders in the Activity Delivery Area (ADA);
- organisational changes, relationships and effectiveness—requiring providers to demonstrate the organisational changes they would make to strengthen their capacity to meet the needs of the target group, who they will need to work with to do this, and how they will judge that the actions they have committed to are making a difference to the target population; and
- Indigenous Access Improvement Target—stating the target percentage of Indigenous clients the provider will access (with consideration given to how many Indigenous people reside in the service area, the level of disadvantage in the Indigenous population and the numbers of Indigenous clients already assisted by the service).

**3.35** The documentation of the VADCAS was a useful way for FaHCSIA to refocus service providers on the goals of the FSP reforms, which prioritise access to services by vulnerable and disadvantaged families (including Indigenous families). The strategy committed service providers to an inclusive mainstream strategy for Indigenous Australians, regardless of location and the nature of the service, as well as providing an accountability measure. An Indigenous Access Target, set by the provider, but cognisant of ABS statistics, provides an objective measure of service ‘reach’ to the Indigenous community within an ADA. It also provides a measure of service capacity to meet the needs of the community, the demographic of which is informed by the ABS and FaHCSIA national data, as well as local knowledge.

## Stakeholder consultation

**3.36** Consultation was an important consideration in FaHCSIA’s management of service providers during the transition to the FSP in 2009, and the subsequent introduction of FSP reforms in 2011. FaHCSIA sought feedback from service providers on the possible implications for clients and service

delivery following the announcement of the FSP<sup>76</sup>, and again following FSP program reforms.<sup>77</sup> FaHCSIA held consultations across Australia and also received written submissions from stakeholders. Consultation topics included principles of program funding, reporting arrangements, schedule for program implementation and program reforms. Significant feedback from the consultation process included a desire to:

- reduce red tape;
- support three year streamlined funding agreements;
- simplify and switch to electronic reporting;
- increase collaboration and coordination between agencies;
- maintain program focus on prevention and early intervention;
- increase intensive services for families with complex needs; and
- have a child-centred family focus.

**3.37** In response to feedback from the consultation process, FaHCSIA has introduced three year funding agreements for all directly contracted services, using one funding agreement for all FSP services; reduced reporting from quarterly to biannually; and switched to electronic reporting. FaHCSIA has also increased the emphasis on services for the most vulnerable and disadvantaged, and strategies to increase collaboration and coordination between agencies through governance requirements.

## **Stakeholder information updates**

**3.38** An important aspect of stakeholder interaction during the FSP reforms was keeping service providers informed of program changes and the implications of these changes. Prior to the implementation of the FSP reforms, FaHCSIA National Office produced three online newsletters in March, April and May 2011, updating providers with news on the FSP reforms. The newsletters outlined important dates, intention of the reforms, and outcomes from stakeholder consultations held nationally. The newsletters provided useful information to CfC providers. The online newsletters, however, were subsequently discontinued.

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<sup>76</sup> Consultation process conducted during April and July 2009.

<sup>77</sup> Consultation process conducted during November and December 2010.

**3.39** Comments to the ANAO during fieldwork in June 2012 indicated that service providers would value regular communication of national program perspectives, including case studies and service delivery options. This information could be incorporated into a regular newsletter for service providers, and may also serve to facilitate ongoing National Office engagement with service providers. FaHCSIA recommenced the production of a quarterly FSP newsletter in November 2012.

## Conclusion

**3.40** As part of broader program reforms initiated by the Australian Government, CfC activities were transitioned from being standalone activities to be part of a more integrated program, the Family Support Program, in 2009. The transition of CfC activities was a key activity to be undertaken by FaHCSIA as one of the Australian Government's implementation commitments under *Protecting Children is Everyone's Business: The National Framework for Protecting Australia's Children 2009–20* (the National Framework), agreed by the Council of Australian Governments (COAG) in 2009. The incorporation of CfC into the FSP was the first phase of a process of consolidating a large number of discrete grant programs to improve their targeting of client groups and streamline administration. A second phase of reform involving CfC occurred in 2011, when services funded under 18 different grant programs were integrated into CfC. Maintaining a level of stability amongst service providers during the two phases of reform was an important consideration for the Australian Government, and approval was given in both phases to negotiate new funding agreements with existing service providers.

**3.41** In choosing selection methods for grant programs, the principal consideration is to adopt a process through which the projects most likely to contribute to the cost-effective achievement of the program's objectives will be consistently and transparently selected for funding consideration. In this context, competitive selection processes are recognised as representing best practice in the context of grants administration, and the Commonwealth Grant Guidelines (CGGs) outline that, unless specifically agreed otherwise, competitive, merit-based selection processes should be used, based upon clearly defined selection criteria.

**3.42** In most cases, CfC providers had been initially selected using competitive processes. During the two phases of reform, FaHCSIA, in line with government decisions, undertook non-competitive selection processes, in

which existing providers were assessed on the basis of current performance and ability to provide services aligned with the requirements of the FSP. This had the effect of aligning the end dates of all CfC funding agreements and maintaining stability in the services delivered to support the implementation of program reforms. A further effect is that most service providers have now received several funding extensions since their initial selection. In seeking approval for the selection process to be undertaken, FaHCSIA's briefings to the Minister did not refer to any requirements or principles of the CGGs, including the emphasis on using competitive selection processes. In addition, although those briefings identified the providers the department proposed be offered further funding, they did not clearly identify the selection criteria that had been used in reaching the recommendation.

**3.43** The CGGs, and related changes to the financial framework legislation, were expected to improve the quality of grants administration and ensure Australian taxpayers receive the best possible value for money from Australian Government grants. Accordingly, it is important that FaHCSIA reflect upon the administration of grant programs that predated the CGGs, including by seeking opportunities to enhance value for money through the adoption of competitive selection processes (at appropriate intervals). The Australian Government is also seeking to improve the accessibility of the Not-For-Profit sector to grant funding opportunities. Enabling other potential providers to compete for CfC funding would be consistent with that goal, and is possible under the current FSP program guidelines. In this context, as CfC is now in a period of consolidation, and with all existing agreements expiring in June 2014, it would be reasonable to expect FaHCSIA's planning for further grant funding would give appropriate consideration to the use of competitive, merit-based selection processes for future delivery of CfC, and that the reasons to do otherwise would be clearly canvassed in advice provided to government.



## 4. Reporting and monitoring

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*This chapter describes the performance framework, reporting requirements, and program monitoring arrangements for Communities for Children (CfC). It also examines FaHCSIA's commitments under the National Framework, and FaHCSIA's commitment to reduce red tape through the restructuring of the Family Support Program (FSP) between 2009 and 2012.*

### Introduction

**4.1** Community capacity and resilience are increasingly being seen as supporting public policy objectives, and ultimately CfC activities seek to build community resilience. As noted by the Minister for Families, Community Services and Indigenous Affairs in a speech to the 2009 National Investment for the Early Years and Centre for Community Child Health Conference, the resilience of families recovering from the 2009 Black Friday bush fires in Victoria demonstrates the impact that a sense of community can have on an individual's resilience, and, in turn, the individual's contribution to the resilience of the broader community.<sup>78</sup> Similarly, the Minister continued, the rationale and strategy of the FSP was to 'act as a platform to combat social exclusion, build stronger families, and provide early intervention for children at risk of neglect and abuse, so as to build individual and community resilience'. Resilience has been defined as the capacity to be robust under stress, and to adapt in response to changing circumstances.

**4.2** However, the assessment of the effectiveness of community-based, or location-specific programs in achieving resilience, presents challenges. Firstly, these programs deliver tailored activities to meet local community needs and circumstances, and program delivery will, therefore, vary widely. Further, and consistent with the operation of CfC, individual services often seek to contribute to a broader, collaborative or connected program structure, requiring a common strategy for the collective analysis of program performance. An additional consideration is that programs which support the development of communities, families and children often require a significant

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<sup>78</sup> Macklin, J (Minister for Families, Housing, Community Services and Indigenous Affairs), Speech to the 2009 National Investment For The Early Years and Centre for Community Child Health Conference, Melbourne, 16 February 2009.

time lapse before clear patterns of impact or outcomes can be established, and often the impact of the program can rarely be attributed to the program alone.

## **FaHCSIA's approach to the assessment of community programs**

**4.3** To assist staff to develop an effective monitoring and reporting strategy for individual sites, with outcomes that also contribute to a broader program goal, FaHCSIA has implemented a generic performance framework based on four levels—each level focused on answering a simple question:

- How much did we do? (Service outputs/deliverables of services that contribute to achieving immediate outcomes, for example, the number of clients and the number of service sites);
- How well did we do it? (Service delivery quality or how well the service is being delivered in order to achieve the immediate outcomes, for example to the satisfaction of clients, and in collaboration with other agencies);
- Did it make an immediate difference? (Client outcomes/impacts expected as a result of services in the short-term, or at the time of service. These in turn contribute to the intermediate outcomes); and
- Did it make a lasting difference? (Client and community outcomes/impacts expected from services in the medium-term, or three to six months after service delivery).

The FSP Performance Framework follows this structure, with program objectives and performance indicators derived from the four questions above.

## **Family Support Program Performance Framework**

**4.4** Similar to CfC management arrangements, CfC reporting is embedded in the reporting arrangements of FSP to promote consistency in reporting and to enable FaHCSIA to determine overall FSP outcomes. The FSP Performance Framework (the Performance Framework) provides a matrix against program outcomes of program objectives, performance indicators, data collection (and purpose), and collection method. The Performance Framework supports five Program Outcomes—three Client Outcomes and two Service System Outcomes as follows:

- families function well in nurturing and safe environments;
- children and families have the knowledge and skills for life and learning;

- families, including children, especially those who are vulnerable or disadvantaged, benefit from better social inclusion and reduced disadvantage;
- organisations provide integrated services and work in collaboration with other services and the community; and
- services focus on vulnerable and disadvantaged families and children.

To support the analysis of performance against these outcomes, FaHCSIA collects performance data from service providers as established in their funding agreements.

### **CfC reporting schedule**

**4.5** Generally, reporting requirements for service providers receiving CfC grants are largely the same. CfC reporting requirements are specified in each funding agreement and, unless advised to the contrary, all CfC service providers prepare performance reports biannually. Reporting periods are 1 July–31 December; and 1 January–30 June each year. Each reporting period requires the collection and collation of qualitative and quantitative data. Data is collected in nine categories. The first five categories are collected during the reporting period 1 July–31 December. These are:

- client data—including numbers of clients, characteristics and demographic data;
- activity information—including a description of services and intended outcomes; time allocation for services; qualitative report on achievements and challenges overcome; location of services delivered; and new or relocated service locations;
- deliverables—including compliance in meeting deliverables; challenges incurred and plans to meet the deliverables; existing and new collaborative relationships; and any challenges incurred;
- case studies (optional); and
- additional information—feedback to FaHCSIA on performance for the period; research or evaluation completed; and suggestions for making the data collection easier to complete.

In addition to these five categories, the report for the period 1 January–30 June, includes the following four categories:

- performance indicators for client outcomes;

- complaints management;
- statement of compliance against approval requirements; and
- progress against the Vulnerable and Disadvantaged Client Access Strategy (VADCAS).

## **CfC data management**

**4.6** All CfC providers submit reports using the FSP Performance Report Template. To support service providers, FaHCSIA has developed a *Family Support Program Performance Framework Help Guide* (the FSP Help Guide). The FSP Help Guide explains each of the reporting items in the template, and the requirements for completion. Key dates for reporting to the end of the current grant program, 30 June 2014, are also clearly detailed in the Guide.

**4.7** To complete the reports detailed in paragraph 4.5, service providers collect client feedback to validate the immediate outcomes; intermediate outcomes; service delivery outcomes and service quality consistent with the FSP Performance Framework. Table 4.1 outlines these data collection requirements.

**Table 4.1****Family Support Program performance outcomes**

Outcome	Measure	Process
Immediate	Client feedback at, or near the time of service delivery, for a minimum of 50 per cent of clients.	Anonymous survey of all clients, conducted over a four week period of 20 consecutive, representative working days. <sup>1</sup> Where an anonymous survey is not used, FaHCSIA recommends: individual interview; focus group/s; or the use of service provider judgement to determine outcomes.
Intermediate	Client feedback measured three to six months after clients leave the service, or more than six months after commencing the service for clients who are still accessing services.	Anonymous survey of clients who have consented to being followed up at the time of commencing service. <sup>2</sup> Alternative data collection methods can apply if anonymous survey is inappropriate.
Service delivery quality	Data from the following categories: <ul style="list-style-type: none"> <li>• proportion of clients from priority groups, that is, Indigenous families, culturally and linguistically diverse families, low income families and young parents; and</li> <li>• proportion of partner agencies reporting satisfaction with the contribution of the service providers that meet administrative approval requirements.</li> </ul>	Collected through client registrations.
Service outputs	Number of: clients by demographic characteristics; service events/activities; and service sites (and locations).	Calculated numerically. Details of service outputs will be collated from all service providers to report program-wide data.

Source: Adapted from FaHCSIA's *Family Support Program Performance Framework Help Guide*.

Note 1: The four week period is to be a period of service delivery representative of usual provision, when sufficient numbers of clients can be asked for feedback. This means that if a service is delivered only one day a week, only four days of data collection is required. If the same clients access the service on each of those four days, they will only need to be surveyed once.

Note 2: Where the client is under 16 years, the parent/guardian must provide consent and follow up should be sought with this adult.

**4.8** To further support service providers meet reporting requirements FaHCSIA has also provided additional support by including the *Pick list of questions for each performance indicator* (Pick List). The Pick List contains recommended questions that support the collection of data for each of the performance indicators for Intermediate and Immediate Outcomes as prescribed by reporting requirements. Service providers are required to select

at least two of the four Intermediate performance indicators, and select one of the questions from each performance indicator to collect and report data.<sup>79</sup> For Immediate outcomes service providers are required, as discussed above, to survey all clients, against all four performance indicators using only those questions from the Pick List that are appropriate or relevant to the client and/or the activity.

## Evaluation and impact assessment

**4.9** Periodic evaluation to assess the impact of programs forms a central part of performance assessment approaches. Ideally, evaluation activity is incorporated into the early planning stages of a program so that a baseline can be established to allow for subsequent assessment of changes and so that appropriate data collection strategies can be determined so as to inform the evaluation. Further, making evaluation reports publicly available assists in improving public accountability. FaHCSIA has implemented a structured approach to evaluating CfC through the use of a longitudinal population level study, the *Stronger Families in Australia* study. Phase one of this evaluation commenced in 2004 and was completed in 2008. The evaluation report was published in 2009 and is available from FaHCSIA's website.

**4.10** The evaluation compared communities which had received CfC services with similar communities which had not received CfC services over a series of outcomes relating to family health, parenting, early learning and the extent a community could be considered child friendly. While being cautious about the results, the evaluation concluded that '... on balance, there is evidence that CfC had positive impacts.'<sup>80</sup> The first phase of the evaluation was conducted at a whole community level and, while attributing community level benefits from the operation of CfC, the evaluation did not address in detail which design and program elements of CfC were most effective in contributing to the community level changes, noting instead that '... this was a critical question that deserves further empirical enquiry.'<sup>81</sup> A second phase of the evaluation is currently underway and, in addition to benefitting from the baseline data prepared in the first evaluation, will have the opportunity to

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<sup>79</sup> Service providers are able to ask other questions in addition to those used to collect client data for their own records or to assist with continuous improvement.

<sup>80</sup> Department of Families, Housing, Community Services and Indigenous Affairs, *Occasional Paper No. 25., Stronger Families in Australia study: the impact of Communities for Children*, 2009, p. viii.

<sup>81</sup> *ibid.*, p. 34.

draw from performance data collected from service providers and assess linkages between CfC activities and expected outcomes.

## **Performance reporting challenges**

**4.11** FaHCSIA seeks a range of information from providers to inform its assessment of performance. However, there are a number of challenges associated with this approach. CfC data collection for the Immediate and Intermediate client outcomes is to be collected via anonymous, self-report surveys of clients. Self-report measures provide first-hand information from clients, and are generally relatively quick and inexpensive to administer. However, the poor literacy levels of many of the client group make written self-report measures unsuitable; and face to face self-report measures can be subject to distortion. For example, some clients may respond positively regardless of the content of the question; others' responses may be shaped by their perception of why the question is being asked; and, some may feel pressured by the person asking the questions, or others present at the time the questions are asked.

**4.12** This circumstance is more fully understood when service providers present case studies of their client group. Almost all service providers interviewed by the ANAO commented on the client group's significant difficulties in identifying and prioritising their needs. This inability was often the result of the number and complexity of their needs—needs that were complicated by financial and legal circumstances, or entrenched by personal circumstances such as poverty, addiction or disability. Service providers demonstrated, through case studies, that simple engagement with some 'hard to reach' clients is a major achievement. Engagement was a necessary precursor to any strategies to discuss, evaluate, or prioritise clients' complex, and often compounding needs, and work towards ameliorating them.

**4.13** Both the Intermediate and Immediate outcome questions seek client feedback on a number of matters relating to child and family functioning. While providers are funded on three-year agreements, feedback to the ANAO suggested that the reporting schedule, did not necessarily match the nature of client engagement and it was not always possible to fully report on client outcomes in the initial stages of engagement. These providers indicated that it often took up to 12 months to gain engagement, indicated by regular attendance at programs, from the most vulnerable and disadvantaged families, and that they were disinclined to jeopardise this contact by querying them about family outcomes. Some providers suggested that the simple appraisal of

service outcomes may be seen as a portent of future decisions regarding a parent's capacity to care for their child/ren, and, in extreme cases may lead people to withdraw from the service.

**4.14** Service providers also explained that the questions recommended in the Pick List (Attachment A of the *Performance Framework Help Guide*) identified a much higher level of family functioning than could generally be expected of their client group. For example, a client with unstable housing, a violent relationship, and a child with special needs might not be focused on whether: 'relationships and communication in my family are improved'; 'I feel more confident as a parent'; or 'I am satisfied I have received adequate information (including referrals) to meet my needs'; nor would these questions capture any incremental progress such as sustained engagement with the program.

**4.15** Feedback from service providers indicated a commitment to provide comprehensive and useful reports. However there remained uncertainties regarding the relevance of the reporting to the proposed outcomes, and the overall performance results that FaHCSIA seeks to achieve with the data collection strategy. Some also commented that results received from client surveys might not be robust or useful. Comments from service providers regarding the client survey strategy included:

- sometimes clients do not really know what it is they need, so are not in a position to know if they have received what they need or not;
- the survey questions are not meaningful and/or offensive to ask;
- many of the clients are illiterate and cannot fill out a survey. If they are inadvertently asked to do so they are likely to feel embarrassed and might not return to the service. Alternative options are time consuming and/or expensive to complete;
- after clients receive a service from a staff member, they are unlikely to give negative feedback in front of the staff member; and
- many of the clients are children and it is inappropriate to survey them.

**4.16** Improved communication between FaHCSIA and service providers is likely to help clarify requirements and support service providers to ensure FaHCSIA receives reliable program data. Additionally, it may further help service providers understand CfC's contribution to the broader objectives of the FSP, and the links to the National Framework. This information could be conveyed regularly, perhaps biannually prior to the due date for reports, or via regular forums.



**4.17** The FSP Help Guide encourages service providers to submit suggestions for changes to reporting requirements. As day-to-day interaction between service providers and FaHCSIA National Office is with Network staff, there was limited guidance about how this information might be communicated, so that wide use could be made of it across the program. FaHCSIA has recently advised that, in addition to reviewing the CfC data collected, the department will be amending the Guidelines to better articulate the relationship between data collected, CfC objectives, and the department's outcomes and Key Performance Indicators reported to the Australian Government. This will provide a clear line of sight between the efficiency and effectiveness of CfC services and the broader FaHCSIA outcomes.

## **Monitoring arrangements**

**4.18** To monitor the service delivery performance of providers, FaHCSIA receives a number of reports, which include the following information from service providers:

- strategies for reaching the most vulnerable and disadvantaged families of society;
- strategies for collaborating with other organisations;
- Facilitating Partner's strategies for meeting the needs of the community and the risks to these strategies<sup>82</sup>;
- Facilitating Partner's specific activities for meeting their identified strategies;
- service delivery outputs and deliverables, including deliverables not met and why;
- results against performance indicators;
- collaboration with other organisations;
- complaints management;
- compliance with Administrative Approval Requirements for governance, accessibility of services, client confidentiality and privacy, and client safety; and

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<sup>82</sup> CfC Direct and IPS are contracted to deliver specific services in their communities, as opposed to Facilitating Partners who are contracted to determine activities to meet identified community needs.

- acquittals for funding received under CfC.

**4.19** This information is provided to Network staff for quality assurance prior to approval. In accordance with FaHCSIA's Common Business Model and the FaHCSIA Compliance Framework, the FSP Branch in National Office provided training in October and November 2011 to the Network about the FSP Performance Framework, and reporting requirements for the Annual Service Report and Performance Reports. This was provided to help the Network educate, encourage, and assist service providers in reporting their activities accurately.

**4.20** FaHCSIA advises that in order to encourage compliance from service providers, the FSP Branch will provide periodic feedback about FSP service providers' performance through the Network or publications. This may be through benchmarking reports to the Network, or in the FaHCSIA Annual Report and FSP Newsletters. This is consistent with FaHCSIA's Common Business Model which states that part of National Office's responsibilities include to:

- collate information provided by the Network from data collection and reports and undertake national analysis of provider and program performance; and
- provide the Network with national analysis and highlight any areas in which performance could be improved or other issues identified.

**4.21** Within these arrangements FaHCSIA National Office has also committed to commencing the analysis of aggregated data collected via CfC Performance Reports, Financial Acquittal Reports and other relevant data for monitoring purposes. FaHCSIA expects that these reports will identify trends in CfC service providers' performance across time, and facilitate systemative program improvements. FaHCSIA's FSP Program Compliance document outlines how the FSP Branch will convey findings from this process to Funding Agreement managers in Network offices every six months to facilitate the performance management of service providers. This is to assist Funding Agreement managers to provide feedback to individual service providers, to help providers continuously improve service delivery.

**4.22** In addition to CfC service providers' compliance reporting, FaHCSIA conducts a survey of the agencies that CfC providers have chosen to collaborate with. These agencies are referred to as partner agencies and CfC

providers must select three, and provide their contact details to FaHCSIA. FaHCSIA surveys the partner agencies to determine:

- the nature of the relationship between the CfC provider and their partner agencies;
- how frequently the CfC provider contacts their partner agencies;
- the importance of the relationship;
- the form of integration and coordination; and
- the partner agencies' satisfaction with the CfC providers' contribution to integrated service delivery and coordination with them.

**4.23** Given that collaboration is a high priority for FSP reforms to ensure improved access by vulnerable and disadvantaged families, it is useful to FaHCSIA to complete this check of the success of collaborative relationships. However, while this is a central element of the CfC arrangements, more value may be gained from surveys of Community Partners. This would assist FaHCSIA to identify any tensions or program risks within the Facilitating Partner/Community Partner arrangements, including transparency in subcontracting arrangements, timeliness of advice to Community Partners regarding changes to contracting arrangements, or the duplication or overlap of services within the ADA.

**4.24** CfC service providers are also assessed annually by their Network Agreement Managers. The Annual Service Assessment of CfC providers is conducted to monitor contractual compliance and identify risk and/or performance issues that require remedial action. This is completed between February and May of each year. ANAO observed that Network staff had a good general knowledge of their service providers, and the operation of their services, and had, in most cases conducted site visits.

**4.25** Network staff indicated that having more opportunities for site visits would improve their understanding of the site and the delivery of services. In some instances funds for site visits were limited and staff travel was restricted due to resource and budgetary constraints. Sometimes restrictions applied to the frequency of local, suburban travel; however, generally the distribution and distance of programs determined the frequency of site visits.

**4.26** Site visits are an effective form of interacting with providers, understanding issues and risks to their performance, and obtaining a better understanding of the service delivery circumstances that programs are seeking

to address. Recognising that there are likely to be resource constraints, there would be benefit in the department assessing whether there are other areas of program administration which could be reduced in order to provide for a stronger monitoring program.

## Public reporting of achievements

**4.27** An agency's Annual Report provides the mechanism for the agency to publicly report against the indicators established in Portfolio Budget Statements. No specific public reporting is made on CfC as it is part of the broader FSP. However, the service deliverable for Children and Parenting Services, of which Family and Children Services is one stream, is the number of clients assisted. The targeted and actual client numbers are shown in Table 4.2.

**Table 4.2**

### Number of clients assisted within Children and Parenting Services/Family and Children Services from 2009–10 to 2012–13

Year	Target (number of clients)	Result (number of clients)
2009–10	415 000	453 452
2010–11	Not listed	459 105
2011–12	750 000 <sup>1</sup>	800 514
2012–13	755 000	Not yet available

Source: Summary of information in Department of Families, Housing Community Services and Indigenous Affairs' Portfolio Budget Statement 2009–10, 2010–11 and 2011–12, and Annual Reports 2009–10 and 2010–11.

Note 1: The significant increase in the target in 2011–12 is due to the merging of Children and Parenting Services and Family Relationship Services for the purpose of reporting from 2011–12.

**4.28** Under the broad reporting measures to which CfC contributes, the indicators for 2010–11 are reported as follows:

- 89 per cent of clients assisted reported improved knowledge and skills related to family functioning, parenting, family safety and child development; and
- 93 per cent of clients reporting satisfaction with the service/s received.

**4.29** While this is a positive result, the global indicators reported provide limited indication of the incremental improvements in the variables that may contribute to child neglect and abuse; identify the responsiveness of family circumstances to targeted interventions; nor the time and collaboration required to achieve the results. The complexity of family circumstances, and

the number and compounding nature of variables that contribute to child neglect and abuse make this assessment a difficult task.

## Red tape reforms

**4.30** In 2010, the Australian Government released the *National Compact: working together*<sup>83</sup> as a framework to guide relations with the not-for-profit sector. Priority areas for action included reducing red tape and streamlining reporting, simplifying financial arrangements across jurisdictions, and improving funding and procurement processes. While red tape reduction is an important consideration, service providers are primarily seeking less complex reporting requirements and this will include ease of access to, and use of, systems and strategies to report, as well as an actual reduction in the number and complexity of reports.

## FSP reforms

**4.31** On 3 November 2011, the Minister for Families, Community Services and Indigenous Affairs announced the restructuring of the FSP, and concurrently committed FaHCSIA to reduce red tape and reporting for service providers. FaHCSIA took the following steps to reduce red tape and paperwork for providers:

- funding agreements were extended to three years which decreased the frequency of agreement negotiations or reapplication for funds; and
- funding agreements were streamlined to provide one funding agreement for all FSP activities, including FSP performance reporting and acquittal per funding agreement, rather than submitting multiple quarterly reports and separate acquittals per activity.

**4.32** CfC providers interviewed by the ANAO were supportive of the reduced frequency of financial and performance reporting, however FaHCSIA has increased other requirements for FSP providers including:

- client surveys (including the 20-day survey period) to report on Immediate and Intermediate performance indicators of client outcomes;
- reporting on complaints management;

<sup>83</sup> Australian Government, *National Compact: working together* [internet], Australian Government, Canberra, 2010, p 1, available from <<http://www.nationalcompact.gov.au>> [accessed 23 October 2012].

- statement of compliance against the Administrative Approval Requirements; and
- reporting progress against the Vulnerable and Disadvantaged Access Strategy (VADCAS) and Indigenous Access Target where applicable.

**4.33** With some exceptions, such as the abridged VADCAS for providers receiving less than \$80 000, and exclusions for the Indigenous Access Plan, documentation requirements, particularly reporting, are the same for all CfC FP, CfC Direct and CfC IPS service providers, regardless of the value of funding received. For CfC providers receiving lesser amounts of CfC funding, the compliance documentation is similar to providers receiving large grants. The CGGs emphasise that the proportionality principle should inform reporting requirements for recipients. This is consistent with FaHCSIA's Common Business Model which states that different controls will be applied for reporting based on level of risk. Some of the CfC providers interviewed by the ANAO indicated that reporting for similar funding amounts received from state or local governments required an annual acquittal only.

#### *Communication of reporting requirements and changes to templates*

**4.34** As indicated in paragraph 4.15, some CfC providers raised concerns about aspects of reliability in the current CfC reporting requirements. Additionally, some providers also commented that the reporting 'goalposts keep changing'. It is reasonable to expect changes in reporting requirements as refinements occur, however changes to reporting templates can result in difficulties for providers and it is important for revised reporting templates to be provided in sufficient time to enable any administrative changes to be made to support new requirements.

#### *Electronic submission of reporting*

**4.35** Several providers also commented on difficulties experienced when electronically uploading reports to FaHCSIA. Once the report upload was completed, the provider received electronic confirmation that their report had been submitted. However, these reports were, on occasion, not received by FaHCSIA. Some providers contacted FaHCSIA to confirm that their report had in fact been submitted, and despite receiving confirmation that it had, subsequently received correspondence indicating that they had not submitted their report. While improving the electronic submission system for reporting does not necessarily decrease paperwork, it can reduce the time taken on reporting. Despite these teething problems, FaHCSIA should continue to

improve the electronic submission system to ensure it is efficient for service providers.

## FaHCSIA's performance commitments against the National Framework

**4.36** The Australian Government committed to completing the following systems level actions within the first three years of the implementation of the National Framework for Protecting Australia's Children 2009–2020,:

- combine and refocus community programs within FaHCSIA to enhance support for families and parenting;
- refocus services under FSP to target vulnerable families and children at risk;
- expand CfC to realign existing sites to enhance integration and target the most disadvantaged communities, and establish new demonstration sites to test models of integrated service delivery and provide more intensive assistance to children at risk;
- expand Indigenous Parenting Support Services to additional sites; and
- provide specialist supported playgroups for grandparent and kinship carers as a specified target group under CfC.

**4.37** These commitments are further detailed in the first three year action plan of the *National Framework—Implementing the first three year action plan, 2009–12* (the Implementation Plan). The Implementation Plan is a joint effort with all governments, the non-government sector and State and Territory Children's Commissioners. The Implementation Plan focuses on the priority actions that are the important first steps under the National Framework. These are: joining up service delivery; closing the gap; seeing early warning signs and taking early action; improving support for carers; developing national standards for out-of-home care; building capacity and expertise; enhancing the evidence base; filling the research gaps; transitioning to independence; responding to sexual abuse; advocating nationally for children and young people; and sharing information.

**4.38** Within these priorities, the initiatives and schedules for implementing the CfC adjustments are more fully detailed. These adjustments are summarised in Table 4.3 under the relevant National Priority and supporting outcomes. Overall, FaHCSIA achieved the targets set in the Implementation Plan as detailed.

**Table 4.3**

**National Framework Implementation Plan 2009–12**

National Priority	Joining up service delivery	Closing the gap	Improving support for carers
Supporting outcome	Children and families access adequate support to promote safety and intervene early	Indigenous children are supported and safe in their families and communities	Children who have been abused or neglected receive the support and care they need for safety and wellbeing
Within 12 months	<p>Realign existing <i>Communities for Children</i> sites to target the most disadvantaged communities.</p> <p>CDSMC* endorsement of the phased implementation of <i>Communities for Children Plus</i> sites.</p> <p>First four <i>Communities for Children Plus</i> sites to be operational.</p> <p>States and territories will report to COAG/CDSMC on reforms to their family support services and programs and negotiations between governments about aligning state and territory support services with the Family Support Program.</p>	<p>Announcement of locations of 50 new Indigenous Parenting Support Services, with 32 operating by July 2010.</p>	<p>The new Community and Family Partnerships Guidelines 1 July 2009 for children and parenting services (including Supported Playgroups and Communities for Children) include 'Indigenous families, including kinship carers' and 'grandparent carers' as specific target groups for all funding recipients.</p>
Within 3 years	<p>All existing Communities for Children sites will be fully transitioned to the Family Support Program and will be delivering integrated services.</p> <p>The Family Support Program will be implemented.</p>	<p>All 50 Indigenous Parenting Support Services operating.</p>	

Source: Council of Australian Governments, *Implementing the first three-year action plan 2009–2012*, COAG, Canberra, 2009.

Note: Communities for Children Plus sites were a key initiative under the National Framework. These sites had stronger links to child protection authorities and adult services, including mental health, drug and alcohol, family violence and housing services for parents at risk of child abuse and neglect. This service approach was subsequently implemented as part of the transition of CfC FPs to the FSP.

Note: \* Community and Disability Services Ministerial Council.



## Conclusion

**4.39** FaHCSIA has established detailed reporting arrangements under its performance framework to gather information from service providers about the performance of CfC activities. Through structured arrangements FaHCSIA receives information about levels of client activity and the types of services used as well as assessments by service providers about their performance against the requirements of funding agreements. Information is also collected from providers on immediate and intermediate outcomes experienced by people using CfC services. FaHCSIA collects a significant amount of data from service providers, however, the data did not always reflect key aspects of service delivery and service providers had limited awareness of the application of this data. Service providers also informed the ANAO that formal feedback mechanisms, such as the distribution of case studies, best practice examples and information regarding the performance of the program nationally, are currently under-developed and would be useful ways to contribute to continuous improvement in service delivery. FaHCSIA could improve its interaction with providers to increase its understanding of the reliability and validity of performance data.

**4.40** Assessing the overall impact of CfC is challenging and in addition to collecting reliable and relevant performance information, periodic evaluations are an important aspect of performance management. FaHCSIA has implemented a sound evaluation approach by conducting longitudinal evaluations spanning several years. The first phase of the CfC evaluation was completed in 2008, and, in addition to providing FaHCSIA with a view on the impact of CfC, the evaluation also provided a baseline against which further assessments of impact could be made. A second phase of the evaluation is currently underway which will draw on the performance information now collected by FaHCSIA from service providers to provide insight into the specific contributions made by CfC to improvements in community-level indicators of family functioning.

**4.41** FaHCSIA undertakes various monitoring activities to maintain oversight of contracted service providers. Primarily, this takes the form of reporting by service providers, although staff in FaHCSIA's network of state and territory offices undertake a varying level of site visits. In a program like CfC, with dispersed service provision and relatively small and localised activities, site visits can be an effective form of monitoring which enables departments to better understand issues and risks to service delivery outcomes, and also to understand the less tangible results of projects which

may not be easily captured in formal reporting. A more systematic approach to site visits would assist the department in its oversight role. In relation to the Facilitating Partner model, FaHCSIA has given the lead NGOs considerable autonomy in their operations. While this allows for a flexible approach to service delivery at the local level, it does expose the department to additional delivery risks, in that FaHCSIA would normally undertake a provider risk assessment in the normal course of engaging a service provider. Under the Facilitating Partner model this is not done as the Community Partner organisations that ultimately deliver services are engaged by the Facilitating Partner. Under current monitoring arrangements, FaHCSIA has limited oversight of the relationship between Facilitating Partners and the subcontracted Community Partners. To improve this situation, without unduly restricting flexibility, FaHCSIA could consider options such as regular surveys of Community Partners to gain their perspective on operations and the relationship with Facilitating Partners. Developing and contracting specialised third-party monitoring services may also be an option for the department to consider as a way of strengthening its monitoring of on the ground delivery.

**4.42** A key initiative undertaken by FaHCSIA as part of streamlining the administration of the FSP has been to reduce red tape. Some positive progress has been made on this initiative with some useful reductions to service provider reporting and efforts to increase electronic reporting. However, other program initiatives have served to increase reporting requirements on providers and consequently reduce the benefits of the administrative streamlining. It will be important for FaHCSIA to continue its efforts to strike an appropriate balance between accountability and outcomes; reviewing the FSP Administrative Approval Requirements is one area where this work could continue.

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Ian McPhee  
Auditor-General

Canberra ACT  
30 January 2013

## Appendix 1: Agency Response



Australian Government  
Department of Families, Housing,  
Community Services and Indigenous Affairs

Felicity Hand  
Acting Secretary

Dr Andrew Pope  
Group Executive Director  
Performance Audit Services Group  
Australian National Audit office  
GPO Box 707  
CANBERRA ACT 2601

Dear Dr Pope

I refer to the current audit by the Australian National Audit Office (ANAO) of the Family Support Program: Communities for Children. The Department received a copy of the Section 19 draft report on 22 November 2012 and I am pleased to provide a formal response to the report.

*Formal Response:*

- FaHCSIA welcomes the ANAO audit report on FaHCSIA's effective management of the three Communities for Children service types under the Family Support Program's Family and Children's Services stream.
- FaHCSIA is currently reviewing the Family and Children's Services stream of the Family Support Program of which Communities for Children is a part, in advance of new funding agreements being renegotiated for the 2014-2017 period. A Future Directions discussion paper was issued publicly in October 2012 inviting written submissions from the sector and the community. Consultations with the sector and the community will take place in early 2013. For the three component activities of Communities for Children (Facilitating Partner, Direct and Indigenous Parenting Services), the review process will integrate the planning of these activities including: identifying the client groups that Communities for Children aims to support, the service footprint, the program design, and the service delivery model, with the goal of providing more integrated family support services. The review process will conclude with the decision of the Minister on the final design and structure of Communities for Children prior to implementation from July 2014.
- In addition, FaHCSIA has a commitment and an ongoing program of work aimed at improving the administration of the Family Support Program and standardising and streamlining program management process and systems. Current work such as the revision of the Family Support Program Performance Framework and standardisation of reporting requirements is expected to contribute to this goal.

PO Box 7576 Canberra Business Centre ACT 2610  
Email [Finn.Pratt@fahcsia.gov.au](mailto:Finn.Pratt@fahcsia.gov.au) • Facsimile 02 6293 9692 • Telephone 1300 653 227  
National Relay Service: TTY – 133 677, Speak and listen – 1300 555 727, Internet relay – [www.relayservice.com.au](http://www.relayservice.com.au)  
[www.fahcsia.gov.au](http://www.fahcsia.gov.au)

A summary of the Department's formal response, for inclusion in the Brochure and Report Summary, is provided as an attachment to this letter.

With regard to the report's one recommendation, I am pleased to advise that the Department agrees with the recommendation. Further comment on the recommendation is included in the attachment to this letter.

I appreciate the significant effort invested in this report and note that the ANAO has been very accommodating in addressing FaHCSIA feedback during the various stages of this audit, including through the Section 19 report.

Thank you for the opportunity to provide a formal response to this important audit report.

Yours sincerely



Felicity Hand  
Acting Secretary

18 December, 2012

Encl

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