Funding Reform Project
Information about the Funding Reform Project and selection process

The Funding Reform Project for Aboriginal Organisations (Project) is a joint initiative led by the Secretaries Leadership Group on Aboriginal Affairs and the Aboriginal Executive Council. The purpose of the Project is to work with selected Aboriginal organisations to explore how to improve the way Aboriginal organisations are funded.

A Funding Reform Working Group (the Working Group) has been set up to advise on the design and implementation of the Project. The Working Group includes representatives of Aboriginal organisations and government departments. You can find details on the Working Group, including conflict of interest procedures, on the Aboriginal Victoria website.

**How will the Project work?**
The Working Group will select three to five Aboriginal organisations to participate in the Project. Selected organisations will work with the Working Group to:

- Identify and develop solutions to address funding issues that affect their organisation, including changes that need to occur within government systems.
- Develop, test and work towards achieving pooled, outcomes-based funding arrangements and other mechanisms to realise greater self-determination for Aboriginal organisations in relation to budgeting, planning and funding.

**What is pooled, outcomes-based funding?**
Pooled, outcomes-based funding is where the funds received by an Aboriginal organisation from government are combined into a funding pool to be spent flexibly as the organisation sees fit to achieve agreed outcomes. It means more control and flexibility for Aboriginal organisations, streamlined reporting and less administrative burden. Pooled funding is not block funding or fixed funding.

**Who is eligible to apply?**
Your Aboriginal organisation is eligible to apply to participate in the Project if it has current funding agreements with multiple Victorian Government departments and is either a:

- service delivery organisation
- advocacy, peak or statewide organisation
- a mixture of both.

Both large and small organisations will be selected to participate in the Project.

**What are the selection criteria?**
Applicants will be assessed against the following criteria:

- **Criteria 1: Community accountability mechanisms**
  Organisations should have existing mechanism or an interest in developing mechanisms that make them accountable to the clients and communities they serve. This could include open membership to all service users, community surveys, open well-advertised and meaningful meetings and organisational transparency around outcomes and reporting.

- **Criteria 2: Existing performance management frameworks**
  Organisations with regulated or legislated performance management frameworks will be preferred. An example of this includes providers of early childhood education and care who work under the National Quality Framework.
• **Criteria 3: Strong governance arrangements**
  Organisations with robust risk and financial management frameworks will be preferred, and those that have an interest in developing these will also be considered. This means having frameworks to deal with internal risk management and accountability and ensure that governance standards are met.

• **Criteria 4: Outcomes frameworks**
  Organisations with existing outcomes framework or an interest in one will be preferred. An outcomes framework means an organisation asesses its performance based on whether it has achieved certain outcomes (e.g. improved health), rather than outputs (e.g. X number of health checks).

• **Criteria 5: Clear representative or service delivery mandate**
  Service delivery organisations should have a clear service delivery mandate (provide services to a clearly defined client base) or a clear service delivery area (provide services to a clearly defined region, as formally recognised by government or Aboriginal community).
  Peak/advocacy/statewide organisations should have clearly defined members (e.g. organisations within a service sector) and a clear mandate from these members to act in their interests.

**How will organisations be selected?**

We want to make it as easy as possible for interested organisations to apply to participate in the Project. The selection process will be:

• **Step 1 – An open expression of interest.** All Aboriginal organisations who meet the eligibility criteria can apply to participate through a simple Expression of Interest (EOI) online form.

• **Step 2 – Meetings with eligible organisations.** A representative from the Department of Premier and Cabinet will meet with each eligible organisations (either in person or over the phone) to assess the organisation against the project selection criteria.

• **Step 3 – Assessment of eligible organisations.** A written assessment will be prepared and provided to organisations for their review. This written assessment will then be provided to the Working Group who will select three to five organisations based on their performance against the selection criteria.

• **Step 4 – Notification of outcome.**

**What support will be provided to selected Aboriginal organisations?**

If your organisation is selected, we will work with you to set the scope of your organisation’s participation in the Funding Reform Project. Funding is available to support your organisation to participate in the Project, and you will help us to understand the nature and amount of support required as part of the Project planning process. This could include supporting participating organisations in areas like systems transformation and governance.

**What is the commitment for selected Aboriginal organisations?**

While this project aims to identify and address current Victorian Government funding practices that negatively impact Aboriginal organisations, the Project will likely involve a significant time commitment and organisational transformation for participating Aboriginal organisations. This could include developing and implementing new frameworks, such as outcomes frameworks, or strengthening governance and community accountability mechanisms. While organisations will receive resources to support their participation, the commitment for organisations will likely be significant.

**What are the important dates?**

Application, assessment and selection of organisations will occur in 2018, and selected organisations will begin working on this Project in 2019.

- Expressions of Interest close: 5 October 2018
- Meetings with shortlisted organisations: October – November 2018
- Notification of outcomes to all applicants: November – December 2018.