

# Submission:



NORTHERN TERRITORY  
**MENTAL HEALTH**  
COALITION

## *A stronger, more diverse and independent community sector*

November 2023

### ABOUT:

The Northern Territory Mental Health Coalition (The Coalition) is the peak body for community managed mental health services across the Northern Territory. We work in collaboration with a wide network of community mental health organisations, people with lived experience, and their families and supporters. As a peak body, the Coalition ensures a strong voice for member organisations and a reference point for governments on all issues relating to the provision of mental health services in the Northern Territory. The Coalition provides advice and input into mental health care policy and associated challenges around service delivery to all levels of government and contributes to national mental health networks and associated peak bodies.

On behalf of our members, we welcome the opportunity to make this submission on a stronger, more diverse and independent community sector. The submission focuses on the context of organisations providing services in the Northern Territory. It is noted that significant research and reporting including the Productivity Commission into the Expenditure on Children in the NT have gathered evidence and made recommendations that are referenced in general through the submission below.

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### RESPONSES:

#### **1. Giving the sector the voice and respect it deserves through a meaningful working partnership**

##### **1.1 What would a partnership between CSOs and the government that achieves outcomes for Australians being supported by the community sector look like?**

The Productivity Commission report on Expenditure on Children in the NT describes *relational contracting*. This approach is where regional government staff visit providers and engage in regular collaborative discussions on service outcomes and continuous service improvements. While a power dynamic would still exist, a partnership approach of this nature would achieve better outcomes as both parties become actively engaged in the intended outcome of the grant and the realities of the service delivery context the organisation is working within.

Outcomes-based reporting where intended outcomes are agreed at the commencement of the contract and are revised using action research. For example, an organisation is funded to deliver supports to a specific cohort. Three months into service delivery they realise they are providing supports to small numbers in one location and large numbers in another. The organisation communicates this with the funding body and redirects resources to the location of need. Another example is expecting to be supporting a cohort aged 6-12; however the majority of attendees are 12-18 years old. These cohort require different interventions, approaches and skill sets. Working in a relational contracting manner, the organisation could implement the necessary service model changes, including recruitment in a transparent way with the funding body.

External evaluation by a university that is built into the funding arrangement. Ideally this would be led by the organisation themselves or by an external steering group that may include the funding body, service providers, partner organisations, Aboriginal Community Controlled Organisations (ACCOs) and

a relevant peak body. This should commence at the same time as the funding arrangement and the report should inform and changes to service models and ongoing funding.

Applying strengths-based practice to the organisation's approach to service delivery. This includes agreement on service flexibility to applying the strengths inherent in the team to meet agreed outcomes for the community, including applying approaches (narrative therapy, or peer work for example) that may be more effective for some service participants.

### **1.2 How can CSOs and government streamline the sharing of information, particularly through utilising technology to effectively engage, distribute, share, influence and inform in a timely and efficient manner?**

Relational contracting would mean the funding body has up to date contextualised information on a regular basis. It places the onus on the funding body to ask questions during site visits and scheduled engagements to inform their reporting, rather than the onus be on the organisation to provide this information. Similarly, it would ensure the funding body provided up-to-date information to the organisation on a frequent basis and allow for appropriate discussion. It would reduce the need for urgent additional reporting outside of regular reports for Ministers and executives. Current talking points provided via email or phone do not meet the expectation of providers.

Service providers have unique insights into the needs of the cohorts and communities they are servicing. They understand immediately if needs are changing or if there are trends. This information is not captured using DEX or output-based reporting.

Progressing of outcomes, particularly for families with complex, intersecting issues takes a very long time. The building of a relationship and help-seeking behaviour is a crucial measure of success that is not captured in assessment or captured well in output reporting.

Reporting should meet the needs of both parties involved. It should be useful for both parties and be able to be negotiated even if this means they are not able to be compared easily on a national scale but have local community impact.

### **1.3 How can government ensure the community sector, including service users and those not able to access services, have an opportunity to contribute to program design without imposing significant burdens?**

Embedded evidence-based and evidence-informed models of evaluation by culturally safe consumer focussed researchers. If this is built into the funding arrangement, the researchers can gather information and data while service delivery is occurring; rather than it being an additional burden or rushed when the funding arrangement is ceasing.

## **2. Providing grants that reflect the real cost of delivering quality services**

### **2.1 What would adequate and flexible funding look like?**

The Productivity Commission recommended agreed funding and selected funds pooling between the Commonwealth and NT governments based on regional priorities. Governance groups, like the Local Decision Making model invite Traditional Owners and Aboriginal Leaders from relevant ACCHOs and ACCOs to decide what service model would be utilised to address an issue; what the make up of the service arrangements and partnerships will be; and who the funded organisation will be. There are several practical examples of this occurring in the Northern Territory. This work has been led by the Reform Management Office.

Long term funding, a minimum of five to seven years creates certainty for the service provider and communities they work in to provide adequate service.

## **2.2 What administrative and overhead costs are not being considered in current grant funding?**

Funding arrangements must include at least 20% for administration of each grant. This amount is often reduced by the service providers to meet rising costs of service delivery or to ensure they have adequate equipment and assets such as vehicles.

Small funding amounts for grants such as Emergency Relief in the current model can only be delivered when staff, overheads and administrative costs are borne by another, similar program funded by another source. This places undue pressure on CSOs with limited resources to adequately provide quality services. Many CSOs make losses of very small surpluses due to the funding nature of other programs such as the NDIS. Adequate supervision and professional development are vital, especially in the context of small or short-term funded activities.

Capacity building is not accounted for in administrative and overhead costs. Many organisations are not able to seek adequate support to capacity build the organisation or their staff as their entire budget is taken up by service delivery. This results in poor service quality and no ability for the organisation to build networks and formal partnerships. Partnerships beyond referral pathways often result in higher quality service provision, increased help-seeking behaviour and greater continuity for service users. Grant funding guidelines that preference partnerships, such as those between mainstream and ACCOs often result in tokenistic partnerships established only because of the funding opportunity. Capacity building should be built into long term funding grants to encourage and adequately funded the development of capacity building and mutually beneficial partnerships.

## **2.3 How are rising operational costs impacting the delivery of community services?**

Insurance increases are well beyond the expected increase in costs associated with service delivery. Many CSO have experienced 30% increases and higher. This is an essential cost that must be borne by the CSO that only results in a decrease in staffing, footprint, or service delivery.

Wage increases have meant a large number of service providers have had to reduce staffing or make decisions about where to cut costs. The Northern Territory (NT) job market is such that highly qualified staff are at a premium. Many organisations have had to pay well beyond award rates to attract and retain them. Examples of this include reducing professional development and supervision which are essential to providing high quality services.

Service delivery in outreach-based models and in rural and remote communities is extremely costly.

- Appropriate vehicles cost more, as do running costs.
- Regions may be cut off for long periods over the wet season, meaning the only access is via small planes and chartered flights.
- Highly effective service delivery requires a specific skill set. Adequate supervision is vital to its success.
- The nature of the work means that for each outreach trip, only 70% of the work may be possible for a myriad of reasons. This means outcomes are harder and take longer to achieve.

It is recommended to include a weighting or loading to fees that reflect the true cost of providing services where there are multiple risk factors or complexity, and in rural and remote locations.

## **2.4 What have been your experiences with, and reflections on, the supplementation and change to indexation?**

Spiralling inflationary factors are directly impacting access and service provision in the community mental health (CMH) sector in the NT. Cumulative inadequate indexation applied across Commonwealth and NT government funding agreements mean Community Mental Health Organisations (CMHOs) are absorbing unsustainable levels of financial stress. Increased financial pressures on organisations frequently impact on the ability of organisations to both retain staff, and to

maintain staff wellbeing. Increased financial pressure on the sector reduces or negates the ability of organisations to hire, provide sustainable employment pathways, provide adequate professional development and supervision, support students in the sector, and provide flexible workplaces, all essential elements in retaining and growing the strong and qualified mental health workforce that is desperately needed. Increased stresses on organisations by a shrinking budget can result in unsustainable caseloads that contribute to low morale and staff burn-out that both exacerbates workforce retention challenges and impedes organisational ability to meet basic contractual requirements. As there are already extensive wait lists, any actions that impact on service delivery also impacts on carers and supporters who “hold” consumers while they await service delivery. Carers and supporters then need supports themselves, adding additional pressure to the system. Triaging and servicing acute presentations, only services to further exacerbate the situation.

### **2.5 How can CSOs and the department work together to determine where funds are needed most to ensure equitable and responsive distribution of funds?**

Needs based assessments and responding to immediate needs as agreed by community leaders. An example is through the Aboriginal Health Forum and the NT Children and Families Tripartite Forum. Members of the Tripartite Forum, the Australian and NT governments have developed a Coordinated Investment Framework.

Embedding external evaluation, especially the use of longitudinal studies will effectively provide adequate data on assessment of need.

When CSOs are funded for a large area, such as SA4 it has significant service delivery costs in the NT. The NT is diverse and has a very large geographic spread. It is not realistic for one service provider to offer an adequate service or the same service to everyone within the same SA4 region of the Northern Territory. It is more realistic that a funded service provider work review needs assessments, evaluations and meet with stakeholders such as NIAA, the Primary Health Network and NT government Regional Engagement Coordinators to understand areas of greatest need, and build their service model using this information. They will also need to consider the availability of staff and accommodation as essential resources in order to provide the service.

### **2.6 How can government streamline reporting requirements, including across multiple grants, to reduce administrative burden on CSOs?**

Implementing relational contracting that also includes:

- outcomes-based measures;
- flexibility in the contract to align funding streams for similar services or services where staff have transferrable skills;
- financial acquittals as sufficient reporting where no long-term issues are identified;
- Allow CSOs to provide data they record such as trends and issues in their own format;
- flexibility of reporting and better alignment with more recognisable reporting structures e.g. National minimum data set;
- Flexibility to use culturally safe assessment tools such as the Aboriginal and Islander Mental health initiative (AIMhi) strengths-based approaches to wellbeing and mental health promotion and treatment.

## **3. Providing longer grant agreement terms**

### **3.1 What length of grant agreements are CSOs seeking to provide certainty and stability for ongoing service delivery?**

The Productivity Commission on Expenditure of Children in the NT recommended governments transition to contracts of at least seven years. Contracts should reflect the cost of service provision

and take into account the capacity of providers to deliver outcomes, particularly for Aboriginal communities. This should be supported by a relational approach to contracting, where regional government staff visit providers and engage in regular collaborative discussions on service outcomes and continuous service improvements. This is particularly important in the establishment of new programs, where long lead times to establish a service and build trust and accountability with the community in which it is being delivered. An example is Children and Family Intensive Support. Similarly, programs that are well established and have been funded on a continuous basis with contracts being extended over long periods, would greatly benefit from the security of receiving ongoing funding and longer contracts.

### **3.2 What timeframes should the government aim for, at a minimum, to provide final outcomes on grant variations/extensions before the current grant ceases?**

Funded organisations need to know the outcome of grant variations or extensions at least six months ahead of the current grant ceasing. This includes the negotiation of any variation to funding from previous levels. Any less time than six months severely impacts the organisation's ability to plan and effectively deliver a program, creating intense pressure on staffing, and the quality of services offered to participants

Many funded programs deliver complex service models that provide long term interventions (12 months or more) with individuals and families. Trust takes a long time to establish before therapeutic work can be effective. Insecurity in funding negatively impacts individuals and families receiving the service. Should a service be ceasing, a period of six months is required to transition participants to another provider or program. Gaps in service may indirectly result in a person requiring more significant and costly interventions, such as periods in hospital emergency or detention.

Contracts of more than five years or 5 years with intent to recontract offer an opportunity for longitudinal studies to measure impact on family groups and communities.

External evaluation of programs should be complete more than 18 months from the completion of the contract. In this way decisions can be made, and services can be tendered for well ahead of the contract ceasing.

Contract planning should strategically consider long term funding extensions to avoid any negative impact created by the government going into caretaker mode.

### **3.3 What funding flexibility do CSOs require to enable service delivery and innovation?**

Relational contracting fosters the ability to agree on shifting funds when appropriate based on deeper understanding of the changing needs in the community and the available resources of organisations to accommodate the need.

### **3.4 What flexibility is required by CSOs in acquittal processes to support and encourage sector innovation?**

Funding bodies should be transparent with funded organisations about what their measures are. For example if the threshold for rolling over an underspend is a dollar figure or a percentage of the grant e.g. 10%. This will provide security for organisations and encourage funded organisations to strategically plan the use of underspent funds through periods of ebb and flow, within the contracted period.

### **3.5 How can government improve the variation process, with consideration that CSOs must demonstrate alignment with the grant agreement and provide evidence of value-for-money outcomes?**

Flexibly written agreements that build in opportunities for amendments by negotiation; without the need for a variation of the contract.

#### **4. Ensuring grant funding flows to a greater diversity of Community Service Organisations**

##### **4.1 How can the government ensure opportunities are available for new and emerging organisations to access funding?**

Expectation of researching about best practice and learning about emerging practice initiatives while service delivery is ongoing; and making changes where appropriate and in consultation with stakeholders and community. Forming strategic relationships with peak bodies would deepen the government understand of changing sector landscape; emerging providers; their performance and partnerships. Preference tenders that include partnership (particularly with ACCOs), capacity building, and brokerage for small organisations to value specific skills and expertise; for example cultural brokerage.

##### **4.2 What programs, supports and information are already available for smaller CSOs to help build capacity of the organisation? Are these working?**

NT and commonwealth offer a range of initiatives to support smaller CSOs to build their capacity. In most cases, organisations of this size are very focussed on service delivery and have little financial resources to build their capacity.

Capacity building works well when peak organisations such as NT Mental Health Coalition are funded to consult with their members to understand workforce and capacity needs. Then build relationships with funding bodies to identify appropriate funds, modify the delivery to meet the direct need, and support the implementation and rollout. NTMHC recently obtained Build Skills funding to deliver a project to upskill 150 community mental health workers is 4 units of Certificate IV Mental Health. Members and stakeholders were thoroughly consulted. This project will be evaluated by Menzies School of Health research in 2024.

Capacity building needs to be cyclical, recommended quarterly, as the workforce turnover and need is very high.

##### **4.3 How could larger CSOs support smaller CSOs? What are the barriers to providing this support?**

Cost is a significant barrier for smaller CSOs in accessing this support. Many small CSOs may not accurately assess their performance and capacity. Using data and feedback from the Australian Charities and Not-for-profits register and Office of the Registrar of Indigenous Corporations as well as localised input from state based peak bodies would assist in identifying specific organisations or groups of organisations that would significantly benefit from capacity building.

Relationship and trust is also a barrier. Competitive tendering means organisations may not form relationships with their competitors. APONT partnership principles guide the development of a partnership-centred approach for non-Aboriginal organisations engaging in the delivery of services or development initiatives in Aboriginal communities in the Northern Territory. Not all CSOs are signed or adhere to these principles.

Anglicare NT have a partnership support service that partners with Aboriginal controlled organisations to deliver strong and sustainable services.

Funding bodies could assist by setting out what partnership efficacy looks like in a practical way in relation to service delivery that is agreed upon in contract by funder and each party upon commencement of a contract or partnership arrangement.

## **5. Partnering with trusted community organisations with strong local links**

### **5.1 What is your experience with and reflections on place-based funding approaches?**

Placed based approaches can be effective where they are truly community-led. Small communities where cultural leaders can be engaged in the governance of place-based approaches, that partner with the leadership of ACCOs and ACCHOs can be effective. Its needs sustained investment and a generational approach that includes action research, longitudinal studies and community engaged in the service delivery. A good example of this is the work of Children's Ground in the Northern Territory.

### **5.2 What innovative approaches could be implemented to ensure grant funding reaches trusted community organisations with strong local links?**

Referring the grant funding to the Tripartite Forum for consideration using the Coordinated Investment Framework.

### **5.3 Which areas do you consider have duplicative funding or gaps you think need to be addressed, and what is the evidence?**

The Productivity Commission outlined this clearly in its report and gave examples of Stronger Communities for Children/Communities for Children and Intensive Family Support Services/Family Support Services.

CSOs continue to provide feedback that the level of complexity they are seeing is increasing dramatically. For example, financial counselling and emergency relief have become an assessment and entry pathway for people experiencing domestic and family violence. There needs to be close alignment between the programs to support an appropriate referral. Service providers also need appropriately skilled staff to manage the complexity, as presentations for assessment often uncover greater needs and a high level of intervention.

### **5.4 Where there is a community-led change initiative, could shared accountability to community and funders (government) strengthen service delivery?**

Local Decision Making frameworks established by the NT government by partnering with Aboriginal Community Controlled providers in their local area. For Example, Child and Family Centres. Accountability goes back through the ACCOs to community leaders, Traditional Owners and the broader community, which includes service users. Increasing the involvement of people with Lived and Living Experiences means people that understand the system are supporting others to access service. Sharing of evaluations with service users and local communities; the use of local participant reference groups in the development of the service and its model, consultative and steering groups as part of the built in funded evaluation mechanism.

## **6. General questions for each focus area**

### **6.1 If any, what are the problems or challenges you think have been overlooked?**

Funding bodies should consider the timing of grant opportunities. Often they are at peak periods of service delivery; or ahead of Christmas close down; or at the end of the financial year. It is challenging for service providers to allocate resource to apply for tenders or variations over other priorities. Grant funding opportunities also close with very short timeframes.

Cultural safety needs to be a core measure for service delivery to Aboriginal and Torres Strait Islander participants.

### **6.2 What other solutions or changes could also be considered?**

Local communities should be heavily involved in evaluation and continual shaping of services through multiple mechanisms; ideally with relational contracting approach.

### **6.3 What does success look like?**

Funding arrangement managers working in a relational contracting environment, need community development and stakeholder engagement skills and ideally service delivery experience in order to perform this role adequately. It will require nuanced conversations with service providers at executive and program manager levels, and to translate this information into feedback and reporting.



## References and Resources:

1. Productivity Commission report on Expenditure on children in the Northern Territory  
<https://www.pc.gov.au/inquiries/completed/nt-children#report>
2. Local Decision Making (Northern territory Government).  
<https://ldm.nt.gov.au/>
3. Royal Commission into the Protection and Detention of Children in the Northern Territory.  
<https://www.royalcommission.gov.au/child-detention>
4. Reform Management Office  
<https://rmo.nt.gov.au/about>
5. Coordinated Investment Framework  
[https://rmo.nt.gov.au/\\_data/assets/pdf\\_file/0006/1206285/Coordinated-Investment-Framework-FINAL.pdf](https://rmo.nt.gov.au/_data/assets/pdf_file/0006/1206285/Coordinated-Investment-Framework-FINAL.pdf)
6. Kaleveld, L., Crane E., Hooper, Y. (2023). *Going the distance: Making mental health support work better for regional communities*. Centre for Social Impact: The University of Western Australia.
7. Kaleveld, L., Hooper, Y., Crane, E., Davis, H. (2022). *Doorknocking for mental health: Evaluation a novel outreach approach for addressing mental health*. Centre for Social Impact: The University of Western Australia.
8. Aboriginal and Islander Mental health initiative (AIMhi NT) resources:  
[https://www.menzies.edu.au/Resources/?research-area\[\]=Mental+Health+and+wellbeing](https://www.menzies.edu.au/Resources/?research-area[]=Mental+Health+and+wellbeing)  
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9. Partnership Support Service. Anglicare NT  
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10. Children's Ground (2023).  
<https://childrensground.org.au/evidence/>