**SVA**Consulting

# Case studies of Australian field-building intermediaries

September 2022

Social Ventures Australia acknowledges Traditional Owners of Country throughout Australia. We pay our respects to Aboriginal and Torres Strait Islander Elders past, present, and emerging. We also accept the invitation in the Uluru Statement from the Heart to walk together with Aboriginal and Torres Strait Islander peoples in a movement of the Australian people for a better future.

## About Social Ventures Australia

Social Ventures Australia (SVA) is a not-for-profit organisation that works with partners to alleviate disadvantage – towards an Australia where all people and communities thrive. We influence systems to deliver better social outcomes for people by learning about what works in communities, helping organisations be more effective, sharing our perspectives and advocating for change.

It is important to note that SVA also demonstrates many of the attributes of a field-building intermediary. Although SVA is not one of the organisations which was used for this research, it does experience a number of the challenges outlined in this paper in securing appropriate and timely funding to sustain its impact.

## About the Paul Ramsay Foundation

The Foundation continues Paul Ramsay's philanthropic legacy through a commitment to break cycles of disadvantage. PRF partners with individuals and organisations around Australia to support promising ideas and methods, scalable innovation and adaptive practice to break cycles of disadvantage in Australia.

## Acknowledgements

## Suggestion citation for this report

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### Copyright

## Disclaimer

# Contents

# 1. CoAct

Authors: Matt Little and the SVA team, January 2022

## Summary

CoAct is an intermediary that convenes a network of employment services providers (service partners). Established in 1997 with a mission to alleviate poverty, the aim of its network is *"working together to make a difference in the lives of everyday Australians through employment services and community activation"*.[1] It leverages the scale of its network to secure government employment services contracts, such as jobactive and Disability Employment Services, which are delivered through its service partners.

In addition, CoAct offers fee-for-service support in areas, such as quality assurance and claims management, primarily but not exclusively to its service partners. CoAct also trials innovative solutions to employment challenges and rolls these solutions out with its service partners.

CoAct has a stable funding stream built into its intermediary role, where most of its revenue is gained from a share of government employment services contracts. This is complemented with fee-for-service income, membership fees and some innovation grants. Since its establishment CoAct and its service partners have supported hundreds of thousands of jobseekers throughout Australia. It has also supported the sustainability of for-purpose employment services providers as part of its network model, enabling providers to continue delivering employment services to their communities.

CoAct's unique role as an intermediary has stood the test of time, with targeted adaptations, allowing it to maintain its strong value proposition of leveraging its service partners' deep understanding of their local community, networks and job market, together with the expertise of the CoAct network.

## Current intermediary outline

**Sector**: Employment

**Intermediary type**: Attributes of both a field catalyst and an evidence-action lab

**Intermediary size**: FY20 revenue of $100m

**Charitable status**: ACNC registered with DGR status

**Intermediary structure**: A company limited by guarantee

**Year established**: 1997

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[1] CoAct, *About us*, CoAct website, 2022, accessed 9 August 2022.

# Timeline

Figure 1 below outlines the key decision points and milestones in CoAct's funding journey, including the points that had significant influence on the intermediary's funding journey.
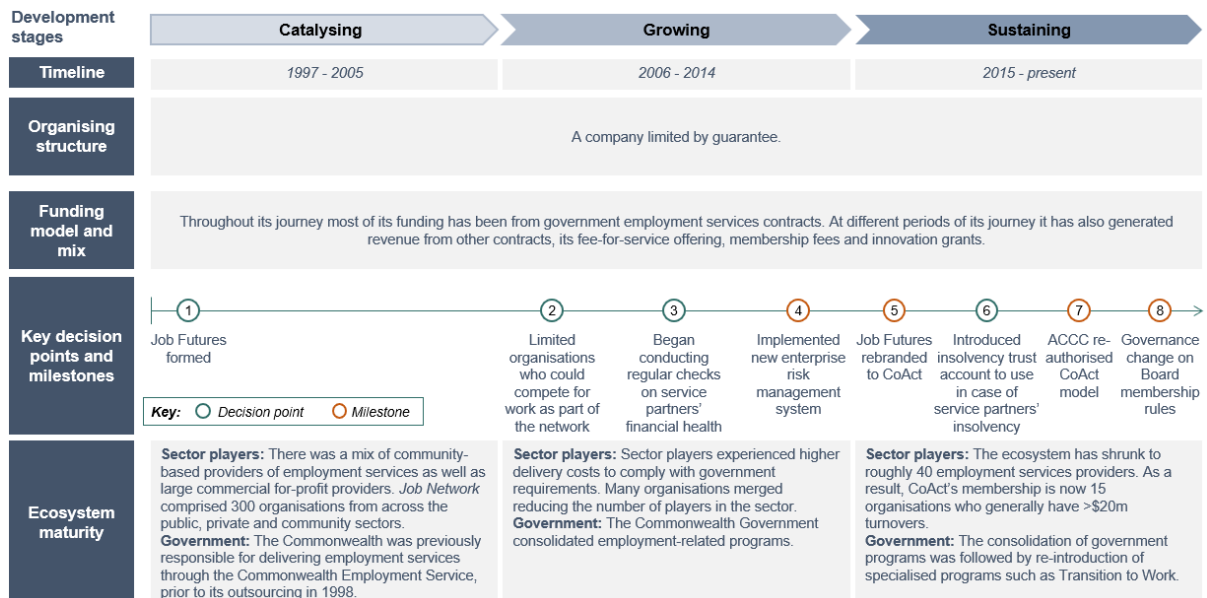


**Figure 1: Timeline of major events in the funding journey of CoAct**

## Target business model

CoAct had a specific target business model planned from its inception as the intermediary was created to respond to a specific opportunity for the sector, following a major government reform program in the employment area.

The key planned revenue source was a share of government employment services contracts (government fee-for-service revenue). That is, CoAct would retain a share of the revenue from contracts provided through its service partners. It was intended that CoAct would also earn revenue from membership fees, which covers expenses, such as group insurance, membership of peak organisations and attendance at yearly conferences. Members (some of which are service partners but not all) pay an annual membership fee.

Interestingly, CoAct's value proposition as an intermediary supporting the delivery of employment services to communities, and its funding model, generating revenue from these contracts, are fundamentally linked. This distinguishes CoAct from many other field-building intermediaries that lack the opportunity of securing a source of revenue tied to their mission.

This model has largely remained in place over time although the mix of funding sources has varied over the years. There have, however, been three key changes to the funding model. CoAct currently now delivers one contract directly. It also pursues (and has received) innovation grants to work on solutions to challenges in the employment ecosystem and to improve the delivery of employment services. CoAct has also, over time, delivered other contracts besides government employment services contracts that have some connection to employment.

# Current state

## How CoAct operates

CoAct's network currently includes fifteen non-profit employment service providers, operating in approximately 350 sites across Australia, which deliver government employment services contracts.[2] These organisations are referred to as CoAct's service partners.

The network is focused on supporting job seekers experiencing a range of vulnerabilities, including people with disability, illness or injury, youth, Aboriginal and Torres Strait Islander people, mature-aged job seekers, the long-term unemployed, parents returning to work and people from culturally and linguistically diverse backgrounds.[3] The CoAct network currently provides the following government employment services: jobactive, Disability Employment Services, Transition to Work, Smart, Skilled & Hired, Youth Jobs Path and the Australian Apprenticeship Support Network.[4]

CoAct bids for government employment services contracts with its service partners. As part of its procurement process, CoAct co-designs a service model with the relevant service partner, to determine what support CoAct will provide and the percentage of contract revenue that CoAct will retain. If successful in the bid, CoAct is the head contractor, and the service partner delivers the services as a subcontractor. As head contractor, CoAct is responsible for the quality of services and performance.

CoAct provides a range of support to its service partners including customer acquisition, managing claims, reporting services and providing staff when its service partners need to fill a temporary vacancy. The service model for a contract specifies what support from CoAct is reimbursed by a percentage of contract revenue, and what support is to be charged as additional fee-for-service support.

CoAct also convenes the sector more broadly through its Friends of CoAct initiative, which allows organisations operating in the employment services and related services ecosystem to keep up with the CoAct network's activities. This allows CoAct to maintain relationships with service partners who have left the network.

CoAct also collaborates with researchers, innovators, practitioners, policymakers and partners to drive innovation in the employment sector.[5] This includes developing innovation projects internally before scaling them with its network.

## What CoAct has achieved

In its 20 years of operation, the CoAct network has supported more than 750,000 people.[6] It has a high level of satisfaction amongst jobseekers, with 87% of job seekers recommending CoAct, and thus its services continue to be in demand.[7] For example, in FY20, CoAct's network provided services to more than 60,000 customers seeking employment services.[8]

CoAct's model has ensured that community organisations can continue to deliver employment services to their local communities. Since 2015, CoAct has ensured that 15 community embedded

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[2] CoAct, *CoAct Impact Report 2019–2020*, CoAct, 2020, accessed 9 August 2022.
[3] CoAct, *Finding the right job for you*, CoAct website, 2022, accessed 9 August 2022.
[4] CoAct, *What we do*, CoAct website, 2022, accessed 9 August 2022.
[5] CoAct, *Leaders in innovation*, CoAct website, 2022, accessed 9 August 2022.
[6] CoAct, *Leaders in innovation*.
[7] CoAct, *Homepage*, CoAct website, 2022, accessed 9 August 2022.
[8] CoAct, *CoAct Impact Report 2019–2020*.

partners can continue providing local services in 350 sites across Australia. This equates to more than $550 million in services that is funnelled directly to communities to help deliver local solutions.

CoAct has engaged in research and innovation projects to understand employment issues and explore solutions. For example, from 2015 to 2017 it worked on an Australian Research Council project to investigate how to increase wellbeing and employability among Australia's unemployed, through collaborating with University of Sydney, Queensland University of Technology and University of Wollongong.[9] CoAct has also piloted and scaled innovative programs across Australia, including its current Bridge to Work program with Bridge Housing, launched in June 2018, which aims to improve the employment options available to social housing tenants.[10]

# The origins of CoAct

The Commonwealth Employment Service (CES) was a Commonwealth government body responsible for delivering employment services to jobseekers. In 1998 it was replaced by a new competitive market called Job Network.

Following the CES outsourcing, 20 small community-based employment services providers developed a partnership called Job Futures (which was renamed CoAct in 2015). They believed that, as smaller organisations they would struggle to win work in a competitive market by operating individually. Job Futures enabled them to pool their resources and compete for contracts together against large, for-profit competitors.

Job Futures became a Job Network member delivering employment services, initially for 19 months, from 1 May 1998.

# Catalysing

1997–2005

### Organisational model and key decisions

CoAct (then known as Job Futures) commenced operations in 1997 with approximately 20 service partners and 30 staff. It developed and trialled its model of delivering employment services through service partners.

During this period, it also pursued other opportunities, such as providing recruitment services to employers and forming large employer partnerships. However, there were a number of challenges pursuing these opportunities including having a member-based board that wanted CoAct to focus on employment services contracts.

Finally, outside of delivering employment services contracts it also began delivering other programs during this period, including the Green Corps program, which was delivered in partnership with Greening Australia focussing on generating environmental and employment outcomes.

### Funding need, sources and success factors

In this period, almost all of CoAct's funding came from contracted program delivery, namely government employment services contracts. Its large membership (membership peaked in 2004 with 65 service partners) provided access to a range of different government employment services

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9   CoAct, *Leaders in innovation*.
10  CoAct, *Bridge to Work: Helping tenants transform*, CoAct website, 2022, 9 August 2022.

opportunities across Australia. The predominant revenue source was the original Job Network program. Other programs included the Remote Indigenous Program, which commenced in 2005.

In this stage it also earned a small amount of revenue from its membership fees.

## Role of the ecosystem

The outsourcing of the CES led to significant changes in the employment services and related services ecosystem. This privatisation of public employment services led to the creation of a new market, which did not exist before. Whilst many of the Job Futures members had been involved in delivering government funded employment contracts, the privatisation completely changed the scale and nature of their activities.

The competitive market called Job Network, comprised 300 organisations from across the public, private and community sectors.

Within Job Network, there were many small community-based providers of employment services as well as large commercial for-profit providers.

CoAct leveraged this opportunity with its unique value proposition of supporting small, community-based providers to compete in the market. It also played a critical role in helping organisations enter the employment services market, with most of the new entrants to the market joining through their relationship with CoAct.

# Growing

2006–2014

## Organisational model and key decisions

In this period, CoAct introduced some key changes to its governance and operating model.

At the start of this period, CoAct lost approximately 30% of its business due to the unsatisfactory performance of some its service partners. In response, CoAct introduced key changes to its governance and operating model, including introducing eligibility criteria for organisations from the CoAct network that could deliver contracts and imposing clearer performance obligations on them.

CoAct also decided to play a greater role in ensuring the financial health of its service partners by reviewing their finances on a quarterly basis. CoAct also improved its enterprise risk management capability through implementing a new system.

Another critical development was the decision to focus on innovation around complex employment challenges. In particular, CoAct was interested in developing more tailored employment services, particularly for highly disadvantaged cohorts. It changed the way that it approached innovation and began conducting innovation pilots internally to demonstrate its innovation capacity. This resulted in CoAct winning some innovation grants, mostly from government (it had limited success with innovation grants from corporate sponsors).

CoAct began its fee-for-service offering in 2011, which was initially only for its service partners. This came about as some partners wanted new additional supports and were prepared to pay for CoAct's expertise.

CoAct also continued offering other programs outside of its core employment services contracts. The original partnership with Greening Australia to deliver Green Corps ended in approximately 2006. Following this CoAct continued delivering various iterations of the program with its service partners. It

also began running the Endeavour Project in 2012, which provided jobseekers with an opportunity to travel across Australia.

### Funding need, sources and success factors

During this period CoAct's primary funding continued to be government fee-for-service revenue primarily from jobactive contracts. It expanded into disability employment work in approximately 2009/10 when the cap on place for Disability Employment Services was removed. Initially the contract was small but due to high performance it expanded significantly in 2012.

This period saw government consolidation of employment programs. As a result, CoAct's scale started to reduce, and the cost of delivery increased. CoAct was also negatively impacted by some members going insolvent.

CoAct continued to earn revenue from delivering programs outside of employment services and expanded its fee-for-service revenue stream through offering it to the broader employment services ecosystem. Finally, the decision to focus on innovation enabled CoAct to attract a new revenue stream through innovation grants, primarily from government.

### Role of the ecosystem

Through this stage of CoAct's life, the mix of government employment programs changed as highlighted above. The consolidation of employment programs meant a loss of speciality programs and specialist services within programs. In addition, the Commonwealth Government increased the size of regions covered by contracts, reducing the number of providers that it contracted. Providers had to bid for larger contracts and manage higher caseloads.

The changes in the mix of government employment programs forced CoAct to examine the future operating environment and the delivery models required to remain relevant.

# Sustaining

2015–present

### Organisational model and key decisions

In its current stage, CoAct has continued to make changes to its model and operations to safeguard its long-term sustainability. In 2015, CoAct introduced additional governance and risk management measures, including establishing a trust account to hold funds in case a member becomes insolvent.

Since its inception CoAct recognised that there were tensions in drawing Board members from its member organisations when these organisations were often also service partners or competitors to the network. These issues became more prevalent over time, with CoAct observing a tension between focussing on its members' interests versus the interests of CoAct more broadly. Following several governance reviews, CoAct made a gradual shift to an independent skills-based board and committee structure. This reform helps to ensure that CoAct remains mission aligned.

In 2015, CoAct began delivering an apprenticeship employment services contract as a subcontractor itself with one of its service partners as the head contractor, in response to feedback that CoAct needed to demonstrate that it had large-scale employer relationships. This was seen as a great opportunity to develop this capability without crossing into the direct delivery of employment services, which is the domain of its service partners.

CoAct has expanded its range of employment programs during this period, including delivering the NSW Government's Smart Skilled and Hired program with disengaged youth. CoAct continues to develop its innovation work. It recently secured an opportunity with JVES to scale the Bridge to Work program across three regions in Victoria in collaboration.

CoAct also had to manage its regulatory requirements. In this period, it sought (for the third time) regulatory authorisation for its model from the Australian Competition and Consumer Commission (ACCC).[11] In short, this allows CoAct to bid for contracts with its service partners (collective tendering) while also limiting its service partners' ability to compete with CoAct (non-compete arrangements).

In recent years the focus has shifted away from running programs outside of its core employment services programs. In future, CoAct would consider stretching itself to offer other programs alongside employment services, provided that these programs have a connection to employment and are focused on supporting disadvantaged Australians.

Recently, CoAct extended its fee-for-service support offering to other employment services providers in addition to its service partners. This was to capitalise on its strong capabilities in specific areas whilst also supporting the wider sector.

## Funding need, sources and success factors

CoAct's revenue from government employment services contracts has continued to grow in this stage.

There is much greater program diversity as it began delivering additional contracts through its network including Transition to Work. CoAct also had another significant win in the Disability Employment Services space in 2018, with this work continuing to grow. Currently, 60% of CoAct's net revenue used to run its operations comes from the delivery of employment services, with the rest coming from the apprenticeship program (30%), membership fees, service partner fee-for-service work and fee-for-service work offered to other employment services providers.

CoAct remains clear about the type of work that it should or should not do. This clarity ensures that it concentrates its efforts on opportunities most aligned to its capabilities and where it stands to realistically generate revenue. Despite opportunities presenting themselves, it has not entered the allied health and clinical services sector as it lacks the requisite skills and capabilities. CoAct also declines contracts where it believes that a service partner could deliver the work directly.

## Role of the ecosystem

CoAct continues to play a unique role in the employment services and related services ecosystem in its approach of collaborating with and supporting local employment services providers to deliver employment services. There are currently no other providers in this space operating a similar model.

One of the reasons the CoAct model has not been replicated is because it began in response to a very specific market opportunity and has been complex to maintain.

Across the ecosystem there has been a trend of employment services providers merging or ceasing operations during this period due to the significant costs involved with service delivery, investment in capability and government compliance requirements, such as data security standards. This has seen a shift from over 300 providers operating in the sector following the outsourcing of CES, to currently approximately 40 providers.

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[11] Australian Competition and Consumer Commission (ACCC), *Job Futures Limited t/a CoAct – Revocation and Substitution – A91493 & A91494*, ACCC website, 2016, accessed 9 August 2022.

The Commonwealth Government is launching a new employment services model in 2022. As part of this it has indicated its intention to contract specialist services in some areas. CoAct believes that this reform will result in an increased number of providers, and that providers will need to have connections to local employers to succeed, adding further weight to CoAct's model.

# Conclusion and learnings

Over 25 years, CoAct has delivered, iterated and adapted its unique model, which has allowed not-for-profit employment services providers to compete and win government employment services contracts. This has ensured the continued delivery of employment services by community organisations. While the essence of CoAct's original model of subcontracting employment contracts to its service partners continues to remain in place, the obligations and accountabilities on both CoAct and its service partners have become substantially more rigorous over time to preserve the model.

Key learnings include:

- **A change in government policy can be the driver for catalysing a new intermediary and can enable a reliable funding stream in a particular context**

  CoAct was established to respond to a specific change in the policy environment. In this unique context, the nature of the policy change, and the opportunity taken up by CoAct, included the opportunity to generate an income stream by capturing a share of a fee-for-service revenue stream from government, which has been the foundation for CoAct's long-term financial sustainability. A similar model could be explored in other areas where there are non-profits that can help achieve government program outcomes but may struggle to navigate complex regulatory or funding regimes as sole operators.

- **In order to fund its capacity building work, CoAct has needed to secure alternative sources of funding beyond core funding from government contracts**

  CoAct does not receive direct government funding for its capacity building support to its service partners and the margins on government contracts can be tight. CoAct needs to fund this work through careful management of its funding model including ensuring it has a value proposition to support fee-for-service and membership revenue.

- **Diversity of government funding sources is desirable when delivering government programs but it can be difficult to achieve**

  CoAct's experience is that it is risky to derive too much revenue from one program, especially when delivering government contracted services, which are prone to constant change. However, the main funder of employment services programs is the Commonwealth Government so the ability to diversify government revenue is shaped significantly by government policy, program design and procurement.

- **Managing a network of organisations as part of an intermediary's work presents different challenges over time, which need to be managed**

  While members are core to CoAct's role and value proposition, it has needed to adapt its business model over time to ensure good governance and manage risk whilst preserving the benefits that the network brings. And, in a membership model, each member is an individual organisation with its own strategy, goals, and local community context and the network must adapt to a changing external context. While CoAct tries to understand its partners' intentions and develop opportunities

to keep them engaged, it also has to ensure a change in membership does not have an adverse effect on financial sustainability.

# 2. Health Justice Australia

Authors: Dr Tessa Boyd-Caine (HJA) and the SVA team, January 2022

## Summary

Health Justice Australia (HJA) is an intermediary that describes itself as the national centre of excellence for health justice partnership, a collaborative service model bringing legal help into healthcare teams and settings. There are over 100 health justice partnerships around Australia, which HJA supports through developing evidence, building service capacity, and driving systems change.[12]

Support for a national centre of health justice partnership came from a group of health and legal practitioners responding to evidence that many people with legal need will not seek help from a lawyer but will raise that need in a trusted setting such as a health service. Legal assistance services were innovating to better reach people with unmet legal need who would not access a legal service directly, including by partnering with health services. Peter Noble, a community legal practitioner, researched the USA model of medical-legal partnership where health and legal services work together. Noble recommended this collaborative approach be supported by a National Centre, just as it is in the USA.[13] In 2015 Clayton Utz Foundation gave a grant to Justice Connect, a community legal centre, to recruit a CEO to set up a national centre of health justice partnership and in 2016 HJA was established.

To date, HJA has been majority philanthropically funded throughout its life, with a small quantum of income generated through conferences, and limited project-based and government funding to support specific aspects of the work. After being financially supported at inception by Clayton Utz, a large three-year philanthropic grant from the Paul Ramsay Foundation (PRF) in 2017 gave HJA the resources to prove the benefits of health justice partnership and begin to deliver impact. It has subsequently brought on additional philanthropic funders and has an active strategy to reduce its reliance on any single funder or source of funding.

### Current intermediary outline

**Sectors**: Health and Justice

Intermediary type: Field catalyst

**Intermediary size**: $2.3m revenue, 10 FTE

**Charitable status**: ACNC registered with DGR status

**Intermediary structure**: An independent not-for-profit with its own Board

**Year established**: 2016

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12 Health Justice Australia, *Health justice landscape: July 2021 snapshot* [PDF], HJA, 2021, accessed 9 August 2022.

13 P Noble, *Advocacy-Health Alliances: Better health through medical-legal partnership*, ARC Justice, 2012, accessed 9 August 2022.

# Timeline

Figure 1 below outlines the key decision points and milestones in HJA's journey thus far, alongside the relevant changes to the ecosystem.
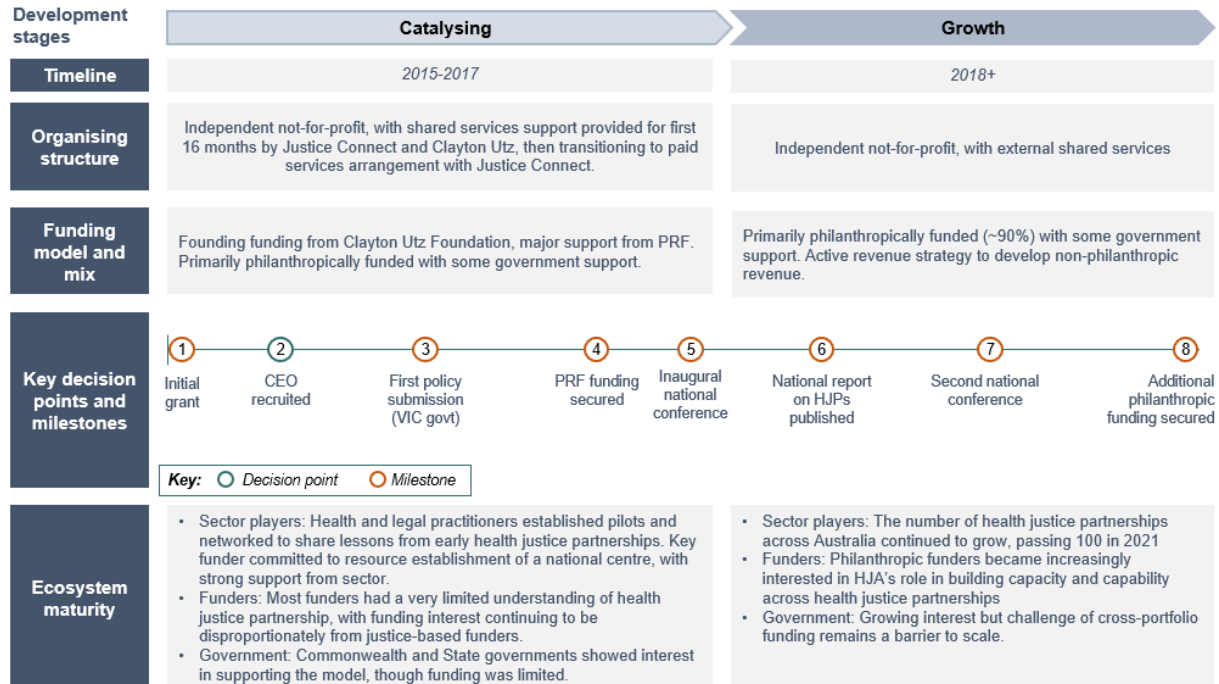


**Figure 2: Timeline of major events in the journey of Health Justice Australia**

## Target business model

HJA's current target business model is a mix of philanthropic, government, and fee-for-service income. It believes that the innovative, collaborative nature of the work that it does and its focus on capability building, aligns well with where it believes philanthropy creates most value.

> "There will always be a role for philanthropy in our work" – Dr Tessa Boyd-Caine, CEO, Health Justice Australia

HJA came to the decision early on that, in order to be effective in influencing government, it could not be dependent on government funding. This remains a principle of HJA's funding mix – while it actively seeks government funding where appropriate, HJA is careful not to let it become too substantial a proportion of revenue. There are plans to grow HJA's fee-for-service revenue, for instance through services and products that build capacity and capability. As this offering is still in development, its contribution to income is not yet known.

# Current state

## How Health Justice Australia operates

While HJA operates as a supporting body for the growing number of health justice partnerships across Australia, its purpose lies in the systemic impact of achieving better health and justice outcomes for people experiencing intersecting health and legal need. This is done through more effective responses to complex need from the services that exist to address it. It describes itself as a 'centre of excellence', which reflects its commitment to research and practice-based evidence and to translating that evidence into change among practitioners and in the authorising environment in which they operate.

Health justice partnerships are collaborations that embed legal help into healthcare services and teams. They have formed in response to a growing body of evidence that shows there are groups of people who are vulnerable to intersecting legal and health problems, but who are unlikely to turn to legal services for solutions. Informed by its work with health justice partnerships, HJA currently supports three key initiatives:

- Knowledge and its translation: Developing evidence of what works in health justice partnerships and translating that evidence into knowledge that is valued by practitioners, researchers, policymakers and funders.

- Building capability: Supporting health justice practitioners to work collaboratively, including through brokering, mentoring and facilitating partnerships.

- Driving systems change: Connecting the experience of people coming through health justice partnerships, and their practitioners, with opportunities for lasting systems change through reforms to policy settings, service design and funding.

## What Health Justice Australia has achieved

An assessment in 2020 outlined the key achievements of HJA during its first four years. The areas noted were:

- Strong contribution towards developing an evidence base: Stakeholders consider that HJA has made a significant contribution to the development of the health justice partnerships knowledge base. HJA was considered to have clearly established the rationale that underlies client-centred health justice joint working, and had published substantive papers that demonstrate the benefits of the model.

- Catalysed the health justice partnership network and built capacity: The network of health justice partnerships in Australia has expanded and strengthened. HJA played a critical role in this expansion, providing coherence, profile and credibility to the model, supporting emerging partnerships, and providing a neutral and independent voice.

- Policy and advocacy influence established: HJA is seen to have made valuable progress in developing its policy and advocacy strategy. It has firmly established a broad range of 'strong' connections with decision-makers who influence research, policy and funding. Stakeholders believe that HJA has become an authoritative voice, with early signs that this voice is starting to influence some policy and decisions.[14]

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[14] SVA Consulting, *Assessment of impact achieved by Health Justice Australia in its first four years*, Health Justice Australia, 2020, accessed 9 August 2022.

# The origins of Health Justice Australia

In 2012 the Legal Australia Wide survey identified that there are many people experiencing legal problems who are unlikely to identify them as such or to seek legal help, but are likely to raise those problems in a trusted setting like a health service.

> *"People often don't understand their own problems as legal and even when they do, they're less likely to go to lawyers for a solution than to raise them in a setting they trust, like a healthcare service"* – Dr Tessa Boyd-Caine, CEO, Health Justice Australia

Spurred on by this evidence, legal assistance sector leaders were looking at international models to inform their thinking about new ways of working. One of these was Peter Noble, who undertook a Clayton Utz Foundation Fellowship to investigate the model of medical-legal partnership in the USA, where legal and health practitioners work together to provide legal assistance in healthcare settings. They aim to transform health and legal institutions and their practices and to influence policy change. Noble recommended his organisation, Bendigo-based Loddon-Campaspe Community Legal Centre, pilot this approach and Clayton Utz Foundation provided funding for the pilot. Through his research he also identified the role of a national centre to support the evolution of this collaborative approach in Australia.

The need for a national centre to coordinate health justice partnership in Australia was recommended in 2012 but it was not until 2015 that funding was secured for it. In the intervening time, health and legal services piloted health justice partnerships with small, philanthropically or publicly funded initiatives, with 8 pilots funded by the Victorian Legal Service Board in 2014. Through existing networks and specific meetings, practitioners in these collaborations came together to share what they were learning and build interest from others, both services and funders. The first federal government funding for health justice partnership came in 2015.

Having remained engaged in the work since its early investment, Clayton Utz Foundation recognised that the continuing growth of the model needed a funder to support the national centre. Through a grant auspiced by community legal centre Justice Connect (another early adopter of the health justice partnership model), Clayton Utz Foundation provided the funding to recruit a CEO to set up the national body.

While the idea for a national centre of health justice partnership had focused on expanding health justice partnerships, Health Justice Australia was established with a system-focussed agenda and identified a broader range of ideas and goals during its catalysing phase.

# Catalysing

2015–2017

## Organisational model and key decisions

At the time of the initial grant to establish HJA in 2015, there were thought to be 10–20 examples of active health justice partnerships around Australia but no reliable data on this question.

> *"It was clear that this was already a movement but that its growth would depend on national coordination and drive."* – Dr Tessa Boyd-Caine, CEO, Health Justice Australia

In 2016, Justice Connect, one of the community legal centres working in the space, took receipt of the philanthropic grant to hire a CEO to establish the national centre. From the original network of health and legal practitioners a steering group was formed, which undertook the CEO recruitment. When HJA was established, its founding Board members were drawn from this group also.

HJA was set up as a charitable entity in August 2016, auspiced by Justice Connect. In terms of what auspicing means in this context, while HJA was created as an independent organisation, Justice Connect performed the role of technical backbone to the new organisation. There was no formal auspicing agreement, and HJA usually describes this relationship as 'in-kind support'.

Justice Connect provided all back-office functions and other organisational infrastructure pro-bono for the first 16 months. Clayton Utz also contributed significant in-kind support, including premises, pro-bono legal support, and other corporate support. This support was considered critical to the success of HJA, as it allowed the CEO to focus on the work of the intermediary and fundraising.

> *"Had I been setting up an office and things like our IT, it could have taken up my entire first year. Instead, I hit the ground running with developing the strategy, building the network and developing the relationships that were critical for our impact. Ultimately, that led to more funding and enabled us to make the best use of that funding when it did eventually come."* – Dr Tessa Boyd-Caine, CEO, HJA

While HJA had only a single staff member for the first year, it received support from a number of volunteers in addition to its board.

It was during this phase that HJA expanded its aims and scope. HJA's first articulation of strategy moved beyond the initial aim of expanding health justice partnerships to define a systemic agenda, focussed on building connections between practitioners to facilitate learning and collaboration as a key component of its value proposition.

## Funding need, sources and success factors

Clayton Utz provided the initial funding for the creation of HJA of $150k a year for two years. While the funding was provided to Justice Connect, its purpose was explicitly to recruit a CEO who would then be responsible for establishing the organisation and identifying further sources of funding.

> *"There was a genuine partnership with those two organisations [Justice Connect and Clayton Utz] that gave Health Justice Australia its best start."* – Dr Tessa Boyd-Caine, CEO, Health Justice Australia

HJA submitted a range of funding proposals to both philanthropy and government in its first year, without success. This difficulty attracting initial funding is attributed to the relative lack of evidence, track record, or demonstrated impact of both health justice partnership and HJA. While the concept of HJA was influenced by a similar model in the USA, the organisations work differently and have different aims. Similarly, the evidence of impact by medical-legal partnerships in the USA was local and not always directly comparable to the Australian context. Despite the international evidence, HJA had to create a substantial body of evidence on both its own outcomes and those of health justice partnership in Australia.

Large-scale philanthropic funding came from PRF in June 2017. This was explicitly to 'make the case' for health justice partnership. HJA and PRF were strategically aligned in their aspiration to address the social determinants of health, and PRF funded HJA to start building the evidence base behind the health justice partnership approach. The PRF funding was secured based on the strong international evidence for this way of working, the existing momentum in the Australian ecosystem for HJPs, and

the strength of the leadership at HJA. One important contributing factor was that a senior member of the PRF team understood the value of the service partnership model due to her work in similar models overseas.

The scale and duration of the PRF funding meant that, while HJA had other sources of funding at the time, PRF contributed over 90% of the organisation's income in the first year of the grant. While the grant was based on the delivery of strategic activities, it was intended to be whole-of-organisation support. One of the key benefits of the PRF funding approach was that while PRF was interested in how the organisation would develop, it put very few constraints on what HJA could or could not do. This was especially important for the development of the policy, advocacy and evidence-building aspects of HJA's work. The nature of the grant also acted to accelerate HJA's development. While the boundaries between phases are not sharp, HJA believes that this grant moved the organisation from the 'catalysing' to the 'growing' phase of its life.

In 2017 HJA held its first national conference. While this was primarily to support HJA's convening role, it was also a way to secure self-generated revenue through a combination of ticket sales, sponsorship and philanthropic support.

HJA's analysis of the funding environment has always included a view that it cannot be seen to be competing for funding with the health justice partnerships it supports. This meant searching for funding from funders not already associated with health justice partnership, such as the Paul Ramsay Foundation. Even as HJA was working on its own funding strategy, it recognised the need to continue to build the funding available for health justice partnerships. While HJA has not engaged directly in pass-through funding, it plays a funding advocacy role, brokering relationships between funders and health justice partnerships and seeking funding to develop health justice partnerships where they do not already exist. This funding advocacy also extends to changing the way that funders approach funding in this space.

For example, in 2017 HJA secured a philanthropic grant from Equity Trustees for TasCOSS (the Tasmanian peak body for social services) to work with HJA to develop the first health justice partnership in Tasmania.

HJA was hesitant initially to apply for government funding for organisations that act as peaks for their sector, as there were concerns that it would significantly constrain its activities if it was the majority of HJA funding. Following the PRF funding, this was less of a concern. HJA also needed time to identify clearly its value to government, and the knowledge and capability it brings, before it was ready to seek government funding.

## Role of the ecosystem

The ecosystem that HJA came into existence to support, health and legal assistance services working collaboratively across Australia, were highly engaged and supportive of the existence of a centre of excellence. These organisations, however, had limited resources to financially support a new organisation.

When HJA was established, there was some initial signalling of Commonwealth government interest in funding the health justice partnership approach. The Commonwealth funded five health justice partnerships in 2015 as part of the Women's Safety Package and a further three in 2019 as part of the National Plan to Address Elder Abuse. Commonwealth funding had initially demonstrated the momentum behind the idea of health justice partnerships and thus helped to catalyse the Clayton Utz Foundation funding for HJA. In subsequent years, however, the pace of growth of health justice partnerships began to outstrip Commonwealth funding.

Most philanthropic funders still had a limited understanding of the potential value of health justice partnership, let alone an intermediary like HJA when it started. HJA's early philanthropic support came from organisations that had traditionally funded justice-related work. PRF's support was not only significant for what it enabled HJA to do but for the fact that it came from a health-focused funder, as PRF's strategy was at the time.

# Growing

2018–2021

## Organisational model and key decisions

In contrast to several other intermediaries, HJA's three key initiatives or focus areas have remained the same since the intermediary's inception, however the way that these priorities are advanced has become more nuanced. For example, its focus on policy and advocacy moved from being a primary activity to being only one of a number of tools HJA uses to exert influence on the systems it works to change. The endurance of the original pillars is attributed to the early investment in evidence gathering as well as the clarity of vision of the leadership of HJA.

As HJA built up the evidence on the needs and capability gaps within the ecosystem that it could address, it recognised a key gap around practitioner capability. To solve this, HJA originally focused on building resources, but this has now broadened to improving the capability of the system to collaborate through the skills and capabilities of practitioners to work in partnership. This strategy relies on HJA having a strong connection to the services and practitioners working in health justice partnership.

In addition, the HJA Board's growth over time has reflected an increasingly diverse range of skills and expertise. HJA Board members have expertise in research, technological innovation, user-centred design, politics and governance, as well as in legal assistance and healthcare.

## Funding need, sources and success factors

During this period HJA has focused on securing additional sources of revenue to contribute to its core operations and diversify its funding base. This is taking significant effort as many philanthropic funders with whom HJA has been building a relationship reacted to the Covid-19 pandemic in 2020/21 by focusing on their existing grantees. This has slowed HJA's progress, however additional philanthropic funders were secured in early 2021, bringing PRF's proportion of HJA's income down to approximately 80%. The new funding contributes to HJA's core, albeit through a focus on particular areas of activity.

During this period, PRF provided additional support to HJA, by both extending its grant to support its activity through the first year of the pandemic and providing additional funding for advisory support for its capability to achieve its strategy.

One of the key success factors in this period is HJA's growing ability to articulate, in language that resonates with funders, the value it creates. One example is in capacity building, where HJA is now much better at articulating how improving the capacity of organisations to work together in partnership can lead to improved outcomes.

> "This is complex work that is hard to convey in an elevator pitch. It took us four years to get to a sentence that describes our work, and the purpose of that sentence is to get people to ask for more detail." – Dr Tessa Boyd-Caine, CEO, Health Justice Australia

In addition, the evidence base that HJA has gathered is also critical to attracting further funding to this area. Due to HJA's efforts, there is now a far better understanding of what the health justice ecosystem in Australia looks like, and what impact it is delivering.

HJA estimates that 70% of the CEO's time is generally focused on fundraising, including building new relationships with funders and maintaining existing funding relationships.

During this period, HJA continues to raise revenue through fee-for-service activity, with the aim of increasing the contribution of this revenue to HJA's funding model.

### Role of the ecosystem

HJA believes that the ecosystem is shifting towards a better understanding of the importance of the intersections between health and justice, with health funders beginning to see the value of legal help to health outcomes. This has been particularly apparent in family violence and mental health. There remains, however, a significant number of funders who find it difficult to navigate funding for approaches that bridge the traditionally siloed portfolios of health and justice. Breaking down this differentiation between the two systems is an objective of HJA's strategy. Conversations with funders also tend to move between HJA's activity and the organisations it supports, including when it comes to the evidence of impact created.

Government, both at state and federal level, is playing predominantly a funding role in the health justice ecosystem at this stage. Of the over 100 health justice partnerships, eight are directly funded by the commonwealth. While government plays a supportive role, leadership in the sector is primarily from HJA and the services themselves.

# Conclusion and learnings

HJA is an example of a field building intermediary with a clear role, informed by overseas experience. HJA has been able to bring on a larger number of funders, but has only been able to secure from three to four years of funding at a time and is actively exploring other funding sources and mechanisms.

- **The difference between the intermediary and the model it supports**

  One of the challenges encountered by HJA has been the conflation of the organisation and the health justice partnership model it supports. As a rule, funders do not ask about the evidence behind HJA or HJA's work. Instead, they ask for the evidence supporting the concept of health justice partnerships. This happens at the funding, activity and the outcome level. This makes conversations with funders more challenging, especially as HJA does not wish to claim the outcomes of the health justice partnerships for itself. Instead, its own outcomes are focused on the improved capability and capacity of the sector.

- **Ability to articulate evidence and progress is essential**

  During its first year, HJA had difficulty securing funding due to a relative lack of evidence, track record, or demonstrated impact. This prompted the initial funding from PRF to not be focused directly on the delivery of outcomes, but instead on 'making the case' for health justice partnership and HJA – gathering evidence and creating a track record to support further funding. Now that this evidence base and track record has been established, HJA is continuing its work to convince new funders to support the work while sustaining existing funders. This has been a challenge despite adopting a proven model from the US. Just as the US context differs from Australia in substantial

ways, so too the evidence base was local to the US context and not directly comparable with Australia. HJA has had to create a substantial body of evidence of its own outcomes as well as those of health justice partnership.

- **Cross-sector collaboration projects may not align well with funder priorities**

  The nature of HJA's intermediary role is at the intersection of the health, justice and other systems and is relevant to funders of health and justice initiatives. This cross-sector approach means that HJA's work does not align closely with funder priorities, with health funders needing to be convinced of the value of a justice-inclusive approach and vice versa. HJA has a specific aim to work with funders to break down these siloes as part of its funder advocacy, in order to support both its own funding and the funding of health justice partnerships.

- **Funder previous experience is a significant asset when seeking funding for complex concepts**

  The concept of health justice partnerships is not well known, and there are complexities to the service systems and the collaborations that need to be established to support these partnerships. This remains a barrier to funding. It is suggested that one of the key reasons for PRF funding HJA at an early stage was a key PRF staff member having familiarity with the model in an overseas context. This made creating a case for funding significantly easier.

- **Auspice-style supports are protective**

  While HJA did not have a formal auspice arrangement with Justice Connect or Clayton Utz, the substantial financial and in-kind support offered by both organisations provided similar protections to a formal auspicing arrangement through HJA's startup phase. For instance, access to back-office support, existing premises, computing equipment and technology support all freed up the HJA CEO's time to focus on the best path forward and securing funding in the organisation's first year.

# 3. Indigenous Eye Health

Authors: Prof Hugh R Taylor AC (IEH), A/Prof Mitchell D Anjou AM (IEH) and the SVA team, January 2022

## Summary

Indigenous Eye Health (IEH) is a unit within the University of Melbourne School of Population and Global Health that was established in 2008 to close the gap in vision-related outcomes for Aboriginal and Torres Strait Islander people. Initially focused on research to understand the issue and frame solutions, IEH moved to an advocacy and technical support role in order to change policy and practice across Australia in 2012. IEH describes itself as providing the necessary advocacy and technical support to Close the Gap for Vision.

Before IEH began its work, Indigenous Australians aged 40 and above had six times the rate of blindness compared to mainstream Australians. Ninety-four per cent of that vision loss was preventable or treatable, but a third of adults had never had an eye exam.[15] IEH has made significant strides to addressing these issues, with eye examination and treatment rates rising and trachoma rates falling.

IEH was funded mostly philanthropically, with financial and in-kind contributions from the University, for its first five years. Following that, IEH has been successful in securing Commonwealth government funding. which now makes up half its annual revenue.

IEH believes it is likely to reach its goal, with the gap between Indigenous and non-Indigenous eye health closing relatively rapidly. It aims to embed its work within Indigenous organisations, promote local and Indigenous leadership of issues, and shape the policies and practices in the ecosystem, so that the gap in outcomes is closed and IEH is not necessary to maintain these changes.

## Current intermediary outline

**Sector**: Health

**Intermediary type**: Field catalyst in Indigenous eye care

**Intermediary size**: Budget $2.5-3m, 15 staff

**Charitable status**: Part of ACNC-registered charity (University of Melbourne)

**Intermediary structure**: Unit within the University of Melbourne School of Population and Global Health, with its own advisory board

Year established: 2008

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[15] Indigenous Eye Health (IEH), *The Roadmap to Close the Gap for Vision* [PDF], The University of Melbourne, 2012, accessed 9 August 2022.

# Timeline

Figure 1 below outlines the key decision points and milestones in IEH's life including the points that had significant influence on the intermediary's funding journey.
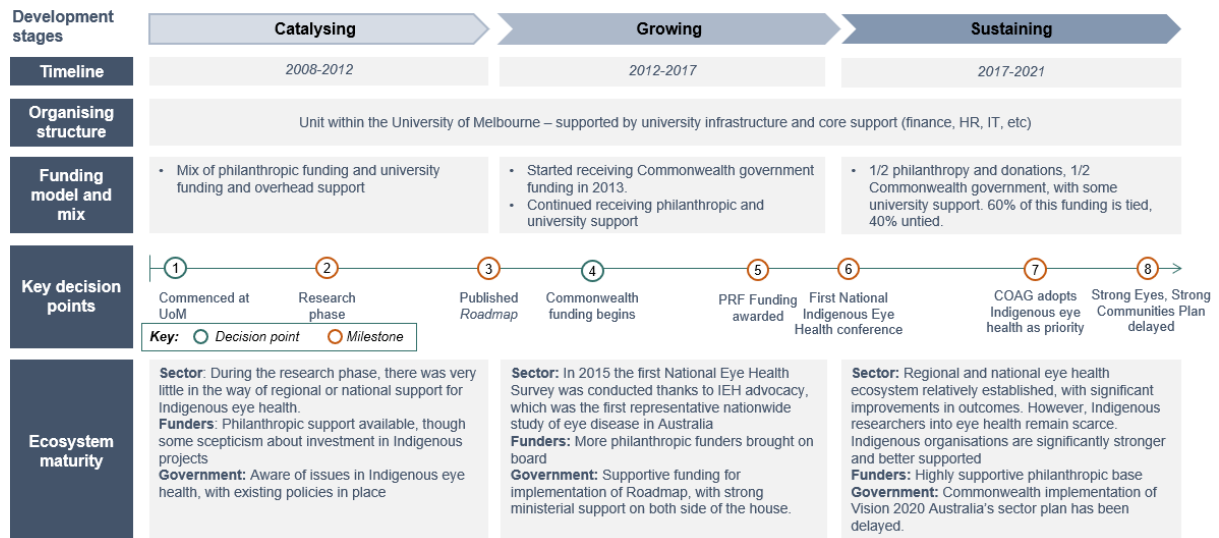


**Figure 3: Timeline of major events in the funding journey of IEH**

## Target business model

At the outset, IEH's target business model was a combination of philanthropic and university support. It was funded through philanthropic support and funding from the University for the first five years of its existence. It then consciously decided to pursue government funding, despite the risk that this posed to its advocacy and influencing activities.

IEH made a deliberate decision from the outset not to pursue Commonwealth and other forms of research grant funding. There was a belief that the aims, restrictions and work burden of NHMRC/ARC type funding would not be compatible with the work proposed to be done. A research approach would also have changed the relationship with stakeholders, as the focus would have been perceived to be individual gain for the researchers (through publications) as opposed to community gain.

> *"These communities say they have been researched to death"* – Professor Hugh Taylor AC, Harold Mitchell Professor of Indigenous Eye Health, Centre for Health Equity, University of Melbourne

Although IEH always sought formal research ethics clearance for all its research activities, the flexible funding also meant that IEH was not required to seek formal research ethical approval for its implementation work. This was perceived both as a strength and potential limitation to its approach as it may restrict what can be published.

# Current state

## How Indigenous Eye Health operates

IEH is a Unit within the University of Melbourne, Melbourne School of Population and Global Health, with its own advisory board. Its main focus is to support the implementation of the 42 recommendations of the *Roadmap to Close the Gap for Vision* (2012) that IEH developed based on its research.

IEH's work includes research, policy formation, advocacy and implementation. Its implementation work includes various health promotion activities, such as raising awareness through speaking at events, developing and distributing promotional material and creating advertisements for television and radio. IEH works at the state, regional and local level to support better eye care through stakeholder engagement encouraging reform and improvements to systems of care. As part of its implementation work, IEH supports organisations, such as optometrists, ophthalmologists and community groups to fill gaps in the eye health ecosystem for Indigenous Australians. It also supports local, regional and jurisdictional eye care stakeholder groups to better and support Indigenous communities.

Currently, IEH is funded by private donors, philanthropic trusts and the Commonwealth Government (Federal Department of Health), with a contribution from the University of Melbourne. Funding is approximately 50/50 between philanthropy and government, with ongoing backbone and some financial support from the University of Melbourne. The proportion of government funding has increased over time since IEH's inception. IEH is well connected to relevant political figures, such as to chairs and members of sector advisory committees and organisations, bureaucrats and government ministers. This gives it significant structural influence and improves its ability and credibility to attract and retain government funding.

IEH has its own advisory board, and for the purpose of this report it is described as having an auspicing arrangement with the University although IEH would usually describe the arrangement as being simply a Unit within the University.

## What Indigenous Eye Health has achieved

Over its lifetime, IEH has played a significant impact on improving eye health:

- It contributed to halving the rate of Indigenous blindness, from six times to three times, and successfully reduced the prevalence of trachoma in Indigenous children from >20% to <5%.[16]

- A 2021 report showed that coordination of regional eye services now occurs in all of the 64 regions across Australia. These regions include 100% of Australia's Indigenous population.[17]

- IEH has been an effective advocate and intermediary linking different levels of government to local communities to generate policy change and more funding streams from government to communities (even where IEH itself has not been a direct beneficiary). Furthermore, its advocacy has contributed to governments committing to end avoidable blindness in Indigenous communities by 2025.

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[16] The University of Melbourne and Indigenous Eye Health (IEH), *2020 Roadmap Annual Update* [PDF], The University of Melbourne, 20 November 2020, accessed 9 August 2022.
[17] The University of Melbourne and Indigenous Eye Health (IEH), *2020 Roadmap Annual Update* [PDF].

- Additional sector funding has also been successfully secured for regional initiatives (such as $2.4m for North-west eye hub in Broome) and broader sector research ($3.6m for the next National Eye Health Survey).

Due to more than a decade of work, IEH is within reach of achieving its stated goal to close the gap in outcomes in eye health for Aboriginal and Torres Strait Islander peoples. The question then becomes what role IEH plays in future or whether it discontinues operations. One potential option is for the group to broaden its focus, to take the same approach to different areas of health where Indigenous people experience poorer health outcomes, for example, hearing loss, heart disease, diabetes, or lung disease. IEH is also considering recasting itself as an Indigenous led and controlled research group.
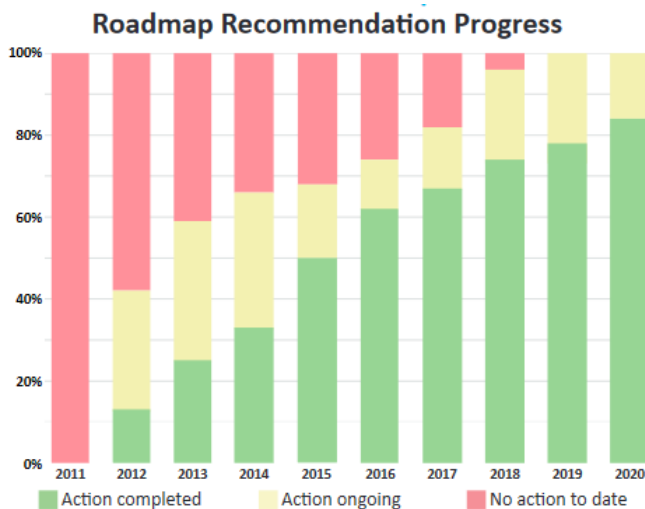


**Figure 4: Progress against the roadmap**

# The origins of Indigenous Eye Health

In 2008, Professor Hugh Taylor AC proposed the concept for IEH based on his 30 years of experience in the field of ophthalmology and public health. IEH was established with the purpose of undertaking world-leading research to establish the evidence base and then guide the policy and practice framework needed to improve Indigenous eye health in Australia.

## Catalysing

2008–2012

### Organisational model and key decisions

Prior to the creation of IEH, Professor Taylor was a senior figure at the University of Melbourne being Professor of Ophthalmology and Founding Director of the Centre for Eye Research Australia. This made establishing the Unit within the university an attractive option. Being housed within a university supported IEH's work by providing key resources as well as credibility. Professor Taylor and his team established with the University a structure for the Unit that allowed it to focus on implementation and the achievement of outcomes rather than research publication output.

Following the establishment of the Unit, IEH assisted in the National Indigenous Eye Health Survey and then spent the first four years conducting and commissioning research to understand the issues and devise solutions for these issues, culminating in the publication of the *Roadmap to Close the Gap*

*for Vision (the Roadmap)* in 2012. This included completing a mapping of power and authority in each jurisdiction, extensive community consultation with more than 500 people, and co-design of the research and final *Roadmap* plan.

## Funding need, sources and success factors

During the first stage of its life, IEH's main funding need was to support its research and consultation to understand the issue and the approach to its solution, which would then inform the *Roadmap*.

The initial funding for IEH came from a significant, long-term philanthropic grant from the Harold Mitchell Foundation – a total of $1m over five years. This grant was matched by the University of Melbourne, which committed to $200k yearly to support the Unit. This level of funding from the University has been maintained for the life of the Unit to date. Support also came from CBM Australia for this early work.

This initial funding was followed by further philanthropic support, with $1m over five years committed by Ian Potter Foundation and an additional grant of $1m over two years from the Poche Foundation in 2010. Gandel Philanthropy and Cybec Foundation both also supported IEH during the first two years, and Cybec Foundation has continued to support the group.

IEH believes Professor Hugh Taylor's leadership has been seen as highly important to its funding success. His respected experience and crucial connections with the University, government and funders have helped to convince funders of the importance, value and credibility of the work.

## Role of the ecosystem

IEH came into existence in 2008 in an existing, complex, eye health ecosystem, albeit one that was significantly underperforming in its impact on improved eye health outcomes for the Indigenous community. There were a significant number of other organisations, policies, and interventions aimed at improving eye health already in existence, though very few of them were aimed specifically to close the gap between Indigenous and non-Indigenous eye health outcomes. There was also a very limited number of Indigenous leaders and researchers into eye health, and the capacity of Aboriginal and Torres Strait Islander organisations to address eye health issues was limited. IEH had a clear value proposition to help improve the underperformance of the system, which IEH believes was valued by funders.

While IEH was able to secure significant, long-term support from philanthropy, approaches to some philanthropic funders were not successful. There was substantial scepticism from some funders about the entire field, with a perception that money could be 'wasted' on Indigenous projects.

Government at this time had been aware of the issue of poor Indigenous eye health for some time, with the National Aboriginal and Torres Strait Islander Eye Health Program developed in 1998 and reviewed in 2003. A key element of the *Roadmap* was identifying how the existing policies, committees and frameworks could work together more effectively.

# Growing

2012–2017

## Organisational model and key decisions

The publication of the *Roadmap* in 2012 represented a key strategic pivot point for the organisation, where it moved from a research role to a greater focus on advocacy and technical support to the ecosystem. This was planned in IEH's original strategy of first defining the problem, identifying a solution and finally implementation of that solution. Taking the time to build a strong evidence base for the *Roadmap* proved to be highly effective, as it allowed IEH to resist calls to run pilots and meant that it could move more effectively into knowledge translation and implementation.

IEH did not attempt to implement the 42 recommendations of the *Roadmap* itself (which was beyond its capabilities and capacity). Instead, its role was to advocate for others to take on parts that they could lead, playing a key advocacy role with government and supporting funding flows directly to communities.

> *"We want to build the system, not be the system"* – Prof Hugh Taylor AC, Harold Mitchell Professor of Indigenous Eye Health, Centre for Health Equity, University of Melbourne

When IEH launched the *Roadmap* it was confident that the plan could be achieved in five years if it were given sufficient funding and policy support. Implementation and funding occurred more slowly than expected, however, with the changes likely to take more than a decade to complete.

## Funding need, sources and success factors

Following the publication of the Roadmap, IEH's funding need shifted with the change in approach. Now, IEH needed support to fund its new role as an advocate and convener. Interestingly, many of its existing funders continued their support through this transition of approach, as IEH had always articulated the research as the first phase in a broader plan to improve outcomes.

In 2013 IEH received its first significant Commonwealth government funding, due to the evidence base built through the *Roadmap*. This represented a significant increase in resources for the Unit, doubling its available funds and allowing it to grow staff to a team of around 12. This funding was given as a three-year grant, and IEH has successfully re-applied for this grant at the end of each grant period. IEH was hesitant to accept the Commonwealth government funding initially, as it was perceived this would compromise its independence and make advocacy more difficult. However, the benefits were determined to outweigh the risks. Not only did the grant significantly increase IEH's available resources, it also added to IEH credibility with some stakeholders.

The Commonwealth government also supported the work the IEH did on trachoma health promotion. Initially it provided funding to continue the production and distribution of the popular health promotion materials. These had been developed and funded with philanthropic support. Later the Commonwealth provided more support to fund community health promotion events and activities to improve hygiene.

Other large philanthropic contributions also came in during this time, including from Greg Poche and the BB and A Miller Foundation. This influx was related to both the evidence base represented by the *Roadmap*, as well as the increased credibility lent to the group by the Commonwealth funding. Philanthropy has generally funded for three to five years at a time, and many funders (including Ian Potter Foundation and Harold Mitchell Foundation) have supported IEH for long periods of time (with

the Cybec Foundation continuing to support IEH from 2008). This has allowed IEH to make long-term plans and work steadily towards its overarching goals.

## Role of the ecosystem

Following its research, IEH began to influence the ecosystem more directly. With the publication of the *Roadmap*, IEH laid out the changes to the sector that needed to take place, and began to advocate for change including playing a regional and jurisdictional convening role. In 2015 the first National Eye Health Survey was conducted supported by IEH advocacy, which was the first representative nationwide study of eye disease in Australia. In addition, the Commonwealth government funded the Australian Institute of Health and Welfare to produce an annual report on Indigenous Eye Health Measures from 2017. The complexity of the ecosystem worked in IEH's favour, as it was a unique organisation with the expertise and clarity of planning to propose solutions.

The government reaction to the *Roadmap* was largely positive, with funding committed to support implementation and strong ministerial support on both side of the house. The team has reflected, however, that stronger government ownership of the recommendations from the report could have led to change taking place significantly faster.

# Sustaining

2017–2021

## Organisational model and key decisions

The organisational model began to solidify at this stage, with the group maintaining the same level of staffing and working steadily to implement the recommendations of the *Roadmap.* IEH deliberately chose to have a small, tight-knit team of staff with significant but diverse health care and systems experience, which is a contrast to many other research departments.

One of the key goals of IEH has been to facilitate Indigenous organisations to take ownership and leadership of the work, and in doing so, IEHs role becoming redundant in the process. The proposed end state of the work is for local/regional ownership of the strategy to improve Indigenous eye health, with Commonwealth government funding to support it.

IEH continues to work within the broader university structure, which provides significant support through both direct funding and core capability services. IEH employees do not have to undertake all the standard research and teaching requirements of most other Units. However, there is some expectation on the group to disseminate findings, including by publishing research, which they do by focusing on writing up the practical implementation of their work.

During 2018, at the request of Minister Ken Wyatt, the sector (including IEH) developed a five-year plan to address Indigenous vision loss, *Strong Eyes, Strong Communities*. This plan incorporated the yet to be fully implemented recommendations in the *Roadmap* and included some new work to strengthen eye care in Aboriginal Community Controlled Health Organisations. This new plan was accepted by COAG as a priority area in 2019. The elimination of avoidable blindness for Indigenous people by 2025 has now also been included as a specific priority in Australia's Long Term National Health Plan that was released in August 2019.

Following all of this progress, however, there have been a series of delays in the creation of a governmental action plan for this strategy, due in part to the Covid-19 pandemic. These delays have significantly impacted IEH, both strategically and financially. To better understand its role in the

ecosystem and the best role it can continue to play going forward, IEH needs to know the priority actions in the new national roadmap.

## Funding need, sources and success factors

IEH's funding need has remained relatively stable during this period, with 12–15 staff continuing to work on the implementation of the *Roadmap*. As noted above, the revenue for IEH has been consistently between $2.5–3m since 2017. Commonwealth funding remains more than half of its income.

One important aspect of IEH's funding model is the flexibility of its funding. IEH estimate that 40% of its funding is not directly tied to particular sub initiatives or project elements. This has given the team significant nimbleness, responsiveness and the ability it to actively divert and change approach based on what is being heard from the sector.

After nine years of continuous funding, the Ian Potter Foundation, one of its major funders, was unable to continue supporting the work in 2017. To ensure the ongoing work of IEH, Ian Potter Foundation actively sought out additional philanthropic funding to replace its support. This introduction, to the Paul Ramsay Foundation (PRF), resulted in a successful funding round in 2017 for $1.8m over four years. Funding from PRF was for both core support of the organisation and an evaluation of its work so far. The Minderoo Foundation also began providing support for IEH work in this period.

It was in this phase that the significant reliance on Commonwealth support for the broader Roadmap initiatives became potentially challenging. The program outlined in the *Strong Eyes, Strong Communities* document was the basis for COAG to identify the *"elimination of avoidable blindness by 2025"* as a national priority, which was reiterated in the 2019 Long Term National Health Plan. The failure of government to produce an implementation plan to achieve this has led to uncertainty around IEH's future activities and plans. This in turn has not only meant that its Commonwealth funding is at risk, it also means that IEH is finding it difficult to articulate its own specific plans and role to other funders.

## Role of the ecosystem

Due in part to IEH's work, the field is now significantly more effective. The 2021 figures revealed that coordination of regional eye services now occurs in 64 of the 64 regions across Australia. This area includes 100% of the Indigenous population.

Indigenous organisations across the sector are significantly stronger and better supported. Indigenous leaders and researchers in eye health remain relatively scarce, however IEH has recognised this as an ongoing issue, and is actively working to build Indigenous research capacity, including within its own structure.

In some states and territories IEH has experienced challenges where there are other groups that hold significant authority. IEH has found it difficult to work with agencies who might be competing for funding, and funding priorities, that do not fully align with *Roadmap* plans and this has impeded collaboration.

# Conclusion and learnings

IEH has been highly successful as a model for pursuing change in an existing and complex ecosystem, and has created a financial model built on a mix of long-term philanthropic support and government funding. It has one of the longest incubation and research phases of the intermediaries

studied in this report, but this allowed the creation of a strong and comprehensive evidence base, which has paid off in terms of impact.

- **Value of a strong evidence base**

  The strength of the research underpinning the *Roadmap*, which combined academic rigour with strong community consultation and sector co-design, has been key to IEH's impact and its funding successes. In addition to being evidence-based, the strategy was comprehensive, and sector developed and supported (through community consultation). It informed IEH's key actions to improve outcomes, gave IEH a strong base for government advocacy, was critical to attracting government funding and further philanthropic support, and allowed IEH to move relatively quickly towards solutions rather than piloting.

- **Long-term flexible auspicing arrangement**

  The University of Melbourne is strongly supportive of the IEH and wants to retain it within the University. To do so, flexible conditions different to those normally encountered by University departments, have been accessed by IEH. For example, IEH employees are excused from many of the standard research and teaching requirements of other Units, though there remains some expectation to publish findings.

- **Strong leadership and an experienced and diverse workforce are protective**

  Professor Hugh Taylor's leadership brings both respected experience and crucial connections with the University and funders. These factors have helped to convince funders of the value and credibility of the work while simultaneously reducing attrition. IEH also deliberately chose to have a small, tight-knit team of staff with significant health care and systems experience, which is a contrast to many other research departments. Its staff over the years have had a range of backgrounds including doctors, nurses, lawyers, ophthalmologists, optometrists, health services managers, epidemiologists, public health practitioners and a former government minister. Diversity of thought has been beneficial to conducting complex problem-solving.

- **Funder advocacy**

  IEH's philanthropic funders have been willing to support IEH beyond just financial support. When the Ian Potter Foundation was unable to continue funding IEH, they actively sought out additional philanthropic funding for IEH to support the project.

- **Mix of long-term philanthropic backers**

  IEH has benefited from long-term, sustained support from a number of philanthropic sources. Much of its funding has been in three-to-five year grants, often renewed multiple times. The group attributes this success to its demonstrated success in addressing the issues.

- **Flexibility of funding allows agility**

  Much of IEH's philanthropic funding is not directly tied to particular sub initiatives or projects. This has allowed it to actively and nimbly divert and change approach based on what is being heard from the sector, and has been a significant advantage. IEH estimates that 40% of its funding is entirely untied other than to the broad unit goal to Close the Gap for Vision. This flexibility of funding is developed thanks to trusted relationships with funders and a commitment to the overall goal. Much of IEH's work is highly dependent on multiple factors that may shift suddenly or not happen at all, so flexibility is paramount to ensure success.

- **Connections to academic and government systems**

  IEH is well connected to relevant players, such as to chairs and members of sector advisory committees and organisations, bureaucrats and government ministers. This gives it significant structural influence and improves its ability to attract and retain government funding. Its understanding of what is happening in the community enables it to identify and work on filling gaps. It has had good Ministerial support with the Federal Government becoming increasingly engaged since 2013 and bipartisan support for its agenda.

- **Government funding can encounter political roadblocks**

  Despite a Council of Australian Governments (COAG) commitment to a priority target on Indigenous eye health in 2019, an Australian Government implementation plan still has not been released. The announcement of the implementation plan is important to IEH future planning and potentially maintaining Commonwealth funding. Even long-term, policy supported government funding can be unreliable given the unpredictability of the political environment.

- **Competition can be an issue when acting as a convener**

  In some states and territories IEH has experienced challenges working with some agencies where the priority of reform may not be agreed and there is therefore competition for funding and use of funding. IEH has found it difficult to work in states where other groups hold significant authority and do not align with the *Roadmap* plan and this has impeded collaboration and collective outcomes. IEH has very much focussed on the long-term outcomes rather than shorter-term opportunities and publicity.

# 4. Just Reinvest NSW

Authors: SVA team in consultation with Just Reinvest NSW staff, November 2021

## Summary

Just Reinvest NSW (JRNSW) is an intermediary that works to reduce the number of Aboriginal people being imprisoned by using a justice reinvestment approach, which redirects resources from prisons into building strong communities. To do this, it works alongside Aboriginal communities to support place-based, community-led and data driven approaches to improve public safety and reduce criminal justice spending. By addressing the underlying causes of crime, the objective is to create savings that are reinvested in strategies that strengthen communities and prevent crime.

JRNSW describes itself as a coalition of more than 20 organisations that supports Aboriginal communities to explore and establish justice reinvestment initiatives and advocates for systemic changes that build safer and stronger communities. Initially a strategic initiative of the Aboriginal Legal Service NSW/ACT (ALS), JRN is an incorporated association with its own governance structure and executive committee.

The most well-known initiative that JRNSW supports is Maranguka. Maranguka means 'caring for others' in Ngemba language and is a model of Indigenous self-governance, which empowers the community of Bourke NSW to coordinate the right mix and timing of services so that Aboriginal children and families can thrive. Maranguka and JRNSW partnered in 2012 to develop a Justice Reinvestment 'proof of concept' in Bourke to reduce the number of young people in the criminal justice system.

JRNSW has been funded predominantly through philanthropic support for most of its existence, with government support increasing in recent years. As the organisation includes both on-the-ground support (in the form of community-led teams such as Maranguka) as well as backbone support, the most common funding pathway has been to look for funding for the community level directly. Where possible, part of that funding is allocated back to the central body (JRNSW) to support its work. This model is likely to change as Maranguka becomes more independent.

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### Current intermediary outline

**Sector**: Criminal justice

**Intermediary type**: Backbone to place-based backbones

**Intermediary size**: 2019/2020 income of $3.1m, 14 staff (including community teams such as Maranguka)

**Charitable status**: ACNC registered with DGR status

**Intermediary structure**: Incorporated association auspiced by the Aboriginal Legal Service NSW/ACT, with own leadership committee

**Year established**: 2011

# Timeline

Figure 1 below outlines the key decision points and milestones in JRNSW's life including the points that had significant influence on the intermediary's funding journey.
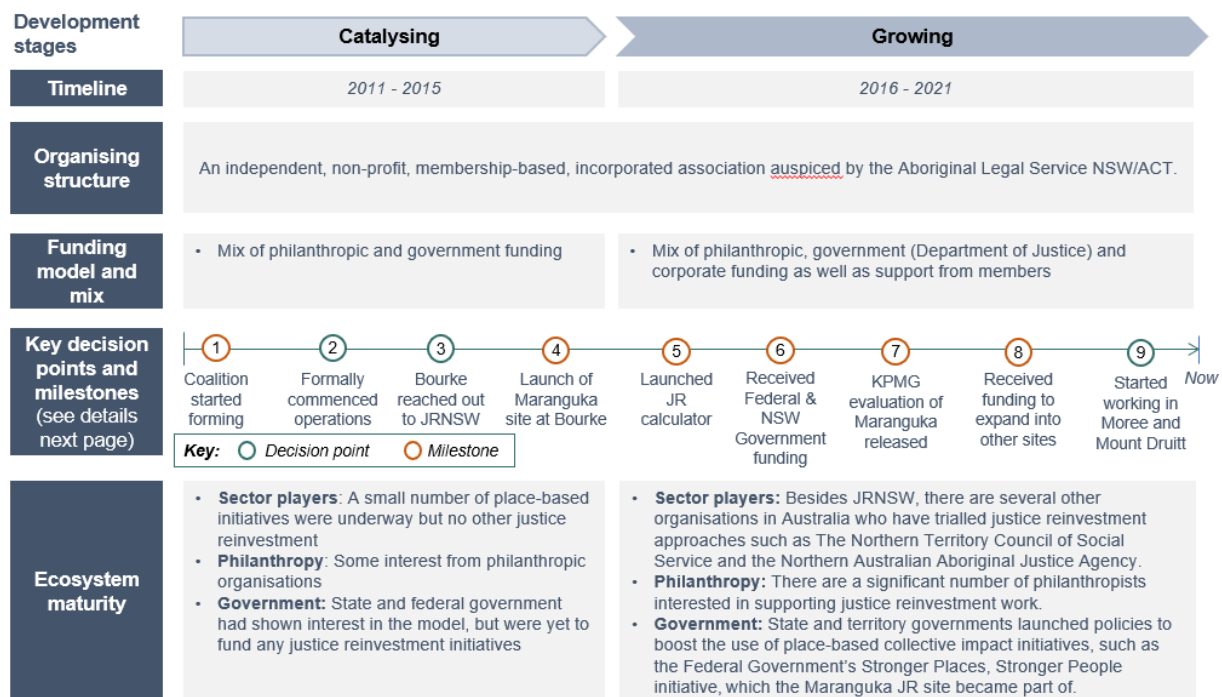


**Figure 5: Timeline of major events in the funding journey of Just Reinvest NSW**

## Target business model

The original funding or business model proposed for JRNSW was a combination of both philanthropic (including corporate) and government funding. JRNSW believes that having a combination of both types of funding is important to its success, as each brings strengths and weaknesses. Government is considered unlikely to provide all of the funding needed, given its likely interest in funding specific activities and its interests aligning more closely with the work done in communities as opposed to the 'head office' or supporting body support. Equally, while philanthropy is interested in funding areas that government is unlikely to fund, such as innovation or advocacy, it does expect government to fund at least a proportion of the community-level work. A relatively common view expressed by philanthropic funders is that they do not want to fund work that government 'should' be funding.

While the target business model has remained largely unchanged to date, it proved more difficult to attract corporate philanthropy to support the head office functions – they are more likely to preferentially fund at the community level.

Fee-for-service work was never explicitly considered, partly because it has not been needed, but mainly because it does not fit with the ways of working of the organisation.

> *"Given this is about Aboriginal communities leading the way, the model wouldn't work if we were to charge some kind of fee-for-service to communities themselves"* – Sarah Hopkins, co-chair, JRNSW

Going forward, the proposed future model is to continue to source both philanthropic and government funding for the ongoing work of the head office and the sites, but in different ratios, with majority funding for communities to come from government, and majority funding for head office to come from philanthropy. This is to better align with the priorities of both types of funders, with philanthropy preferentially likely to support innovation and other aspects of the work that government is unlikely to fund. JRNSW observes this mix is what they consider realistic, rather than 'ideal'.

In the longer term, JRNSW is actively attempting to move government towards a fiscal model for reinvestment by 2024. This would involve the core funding for communities being guaranteed by government, with additional funding contingent on meeting certain outcomes targets. The additional funding would be 'pooled' so it can be spent where the community feels most valuable. It is hoped the core funding would include operational funding for JRNSW as the supporting body, as well as core operational funding for the sites themselves but anticipated that philanthropy will continue to play a critical role in head office funding and in driving innovation and removing blockages.

## Current state

### How Just Reinvest NSW operates

JRNSW is an incorporated association, auspiced by the Aboriginal Legal Service NSW/ACT (ALS). Its leadership comes from an executive committee of Aboriginal and non-Aboriginal people with two chairs.

As part of the auspicing arrangement, the ALS is paid an administration fee. With this, it provides HR support and financial accounts management. This also means that the ALS is ultimately responsible for managing the funding and employment contracts of JRNSW.

The model that has developed is that JRNSW acts as an incubation and support body for new community-led justice reinvestment initiatives. Communities approach JRNSW asking for support, and once funding is secured, assistance is provided with community engagement, data collection and strategy. During the initial phase, communities are auspiced by JRNSW, with all funding and employment contracts handled through the JRNSW entity. When ready, the community-led initiatives can then incorporate and become a separate entity from JRNSW. Maranguka is the first initiative to go through this process to become independent. JRNSW currently supports three community initiatives – Maranguka (Bourke), Moree and Mt Druitt. Each has separate teams of between two and four people. This work is done in collaboration with other intermediaries, with Collaboration for Impact working alongside JRNSW on the work in Bourke.

In addition to its work directly with communities, JRNSW has a broader advocacy role seeking systemic policy and legislative reform, including a shift of decision-making power from government to community. The major barrier to the further expansion of JRNSW is funding. There is significant demand from community (20 communities have reached out to JRNSW for support), however JRNSW does not currently have the resources to actively assist at that scale. Funding is actively being sought to help JRNSW support these communities.

### What Just Reinvest NSW has achieved

In 2013, Bourke became the first major site in Australia to implement an Aboriginal-led place-based model of justice reinvestment through a collaboration between Maranguka, Bourke Tribal Council and Just Reinvest NSW. This approach has proved highly effective, and has become a lighthouse for other communities wishing to explore justice reinvestment approaches. An impact assessment of

Maranguka was completed by KPMG in 2018 with positive results, showing what could be achieved in a short amount of time. This included:

- a 23% reduction in police recorded rates of domestic violence, a 31% increase in Year 12 retention and a 42% reduction in days spent in custody

- savings to the NSW economy of $3.1 million in a single year through the impact on the justice system and broader local economy, equivalent to five times Maranguka's operating costs in the same year.[18]

Following the success at Maranguka, more than 20 communities approached JRNSW with interest in their communities becoming justice reinvestment sites.

JRNSW has successfully worked with a range of stakeholders to improve outcomes for Aboriginal people involved in the justice system. This includes developing police community partnerships, which it considers one of its key achievements. In addition, it has developed a reputation for being able to engage community and government in a way that other organisations struggle to do.

JRNSW has won various awards for its work. These include winning:

- the National Rural Law and Justice Award for Maranguka Justice Reinvestment Project in Bourke in 2015

- the Australian Human Rights Commission Community Organisation Award in 2019

- the HESTA Community Organisation Award in 2019.

In addition, in 2019 Maranguka, Dusseldorp Forum and Vincent Fairfax Family Foundation received the Philanthropy Australia Award for the Best Large Grant 2019, due to the impact of the Maranguka work.

# The origins of Just Reinvest NSW

Just Reinvest NSW was formed in 2011 in response to the high number of Aboriginal and Torres Strait Islander people involved the criminal justice system and in prisons in NSW.

From early 2005, the ALS began bringing together a coalition of organisations to work on solutions to this issue. In doing so, they came across justice reinvestment as a potential model (see definition).[19] As a result, in 2011 a group of more than 20 organisations working with Indigenous young people in the justice system came together with a focus on promoting justice reinvestment in communities.

## What is justice reinvestment?

Justice reinvestment is a model popularised in the United States. It is a data-driven, place-based approach to improve public safety, reduce corrections and criminal justice spending, and reinvest savings in strategies that can reduce crime and strengthen communities.

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[18] KPMG, *Maranguka Justice Reinvestment Project Impact Assessment*, Just Reinvest NSW, 2018, accessed 9 August 2022.
[19] Just Reinvest NSW, *Policy & Advocacy*, Just Reinvest NSW website, 2022, accessed 9 August 2022.

# Catalysing

2011–2015

## Organisational model and key decisions

The early efforts of JRNSW were entirely focused on advocacy, intending to work closely with government and other stakeholders to promote the justice reinvestment model in an Australian context. At this stage, there was debate about whether the JRNSW entity should primarily be a campaign for a policy outcome (and then cease) or aim to have a permanent intermediary role, funding coordination and the analysis of data on justice reinvestment outcomes relative to the costs.

This changed in late 2012, when Aboriginal leaders approached JRNSW to develop a proposal for implementing Justice Reinvestment in Bourke. A coalition of members of the Bourke community had been working together to strengthen service delivery and transform community outcomes since 2007. This group, known as Maranguka, had recognised that its work aligned well with the justice reinvestment model.

This was the catalyst for JRNSW to pivot from an advocacy organisation to an active support organisation, helping the community to create the Maranguka Proposal in 2013, which was successful in obtaining philanthropic support.

In 2013 JRNSW also formalised its operations and became an incorporated member-based organisation, auspiced by the ALS. The founding members became a 'strategic directions committee' for the organisation, acting as members of the association.

## Funding need, sources and success factors

There was very little formal funding need for JRNSW prior to 2013. It was an informal coalition, framed as a strategic opportunity of the ALS, as opposed to a distinct program. Staff time to support the venture was provided by the ALS.

On incorporation, some of the member organisations contributed financially to the new organisation, though there was no formal membership fee.

The first real external financial contribution for JRNSW came when they started the work in Bourke. Dusseldorp Forum and VFFF were the first funders to lend financial support to the Maranguka initiative in 2014. Their initial commitment was for a period of two-years to establish the project team. As part of the grant, there were small contributions for head office support provided by JRNSW. Together with the member contributions, this funded a part-time coordinator role.

As Maranguka was set up as an initiative auspiced by JRNSW and the ALS, all funding for Maranguka came through JRNSW. This is mostly pass-through funding as Maranguka funding was not used to support JRNSW, except for a few exceptions where the funder had explicitly stated that some of the funds were to be set aside for head office support.

JRNSW deliberately did not pursue significant government funding during this phase. There was a belief that reliance on government would have required adhering to rigid measurement outputs. This would have been inconsistent with the need to operate at the community's pace, which is especially important when starting place-based work.

## Role of the ecosystem

The justice reinvestment approach was yet to be implemented anywhere in Australia when JRNSW began. There was, however, a substantial international evidence base for its efficacy, as well as a growing body of evidence around the value of community-led, place-based approaches to change in Australia.[20]

Government was also engaged in the potential of the approach at this time. In 2009, the Aboriginal and Torres Strait Islander Social Justice Commissioner's *Social Justice Report* investigated the potential for justice reinvestment in Indigenous communities.[21]

The philanthropic community was similarly warming to the idea of justice reinvestment as an approach to address community concerns at the time, thanks to the overseas evidence base and growing local evidence, however there was still limited investment.

# Growing

2015–2021

## Organisational model and key decisions

During this period, the Maranguka work was achieving positive outcomes, attracting significant additional funding and generating interest around justice reinvestment approaches. The 2017–2018 KPMG Impact Assessment of Maranguka was a substantial boost to the profile and credibility of the work, demonstrating significant outcomes over a relatively short period.

This phase also marks a ramping up of government advocacy efforts by JRNSW, with an expansion of policy papers and submissions to government around youth detention and other relevant issues.

In 2019, JRNSW made the decision to expand, and began supporting communities in Moree and Mt Druitt, due to a small grant from NSW Department of Justice.

Maranguka became incorporated in early 2021, and proposes to exit the auspicing arrangement with JRNSW and ALS and move towards a model of indigenous self-governance. JRNSW will continue to provide support, but will no longer manage Maranguka's funding contracts and other auspicing responsibilities. This is an intended part of the model, with all community initiatives eventually expected to incorporate and become self-governing or form part of an existing Aboriginal community organisation.

The success of JRNSW and the increasing number of communities and funding arrangements has become a significant load on the ALS due to their auspicing role. This, and Maranguka's move to independence, prompted JRNSW and ALS to re-examine their auspicing arrangement in 2021, with moves towards an MOU, which would create a more formalised and delineated relationship between the two organisations. There is a recognition that, while there have been occasional challenges, the ALS has been a critical partner to JRNSW and is essential to its current success, with a clear plan for the two organisations to continue to work closely together.

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[20] Murdoch Children's Research Institute (MCRI), *The evidence: what we know about place-based approaches to support children's wellbeing* [PDF], the Centre for Community Child Health, MCRI, 2014, accessed 9 August 2022.

[21] Justice Reinvestment Network Australia, *About us*, Justice Reinvestment Network Australia website, 2022, accessed 9 August 2022.

## Funding need, sources and success factors

In this phase the need for funding for JRNSW remains focused on its key co-ordination and data gathering support role, as well as ongoing advocacy efforts.

Funding comes from a mix of government and philanthropic sources. As in the catalysing phase, a majority of its funding is directed towards the Maranguka site as well as Moree and Mt Druitt, with some funding set aside for JRNSW's backbone head office support built into some of the grants.

In 2018, Maranguka secured substantial multi-year investment from the Federal Government (through the 2018 *Stronger Places, Stronger People* initiative) and the NSW government for a five-year period. As of 2019, government has become the majority funder of Maranguka. Government funding for the JRNSW backbone head office support has been less substantial, with a mix of grants as well as direct funding from ministerial offices (including NSW Aboriginal Affairs and Health). In 2019 the NSW Department of Justice provided funding directly for the head office to support the expansion of the work into Moree and Mount Druitt.

However, substantial dedicated funding for the JRNSW backbone head office came in 2021, when the Paul Ramsay Foundation began funding a national coordinator in addition to site-based funding in Moree and Mt Druitt. It is envisaged that this funding will be critical to the operation and growth of the organisation.

PRF noted that it considers the site-based funding to be, to an extent, easier for the government to fund than the broader head office. This plays into a common theme heard through this work, where philanthropy is less keen to fund where it believes government should be contributing.

JRNSW has been successful in securing philanthropic funding in this phase largely due to its long-term philanthropic funders (Dusseldorp and VFFF) playing a significant role in assisting to bring in other sources of philanthropic funding. This has meant that JRNSW has rarely actively sought philanthropic funding – instead funders have come to it, asking how they can support the project, or have been actively convinced by their existing philanthropic partners. Dusseldorp in particular has played a significant catalytic role in facilitating the relationships with other funders, including meeting with them and bringing them into the work in Bourke. This has not only helped to bring in additional funding, it has also helped to keep its funders aligned and limit the reporting burden while reducing the time and effort spent by the JRNSW team on fundraising.

> *"We really haven't had to go out to philanthropists. We've had philanthropists and other funders come to our existing funders. They've been extraordinary philanthropic partners, really"* – Sarah Hopkins, Co-Chair JRNSW

In addition, the strong evidence base for the work, in the form of the KPMG Impact Assessment, has also helped to attract funding for the Maranguka site and also for JRNSW. JRNSW has also received significant in-kind support. The KPMG Impact Assessment was provided in-kind, as is their current premises. Law firms in particular have given significant in-kind support, offering legal advice (Gilbert and Tobin and JWS), case studies (Ashurst), and secondments for staff (KWM).

In addition, the core philanthropic funders have provided funding, which has been patient and flexible, often committing to long periods of funding and being willing to operate at the community's pace. There is a recognition from funders that they are supporting community to test and try a new approach, and inherent in that is an acceptance of potential failures along the way.

### Role of the ecosystem

Government attitudes towards justice reinvestment have changed significantly over the lifetime of JRNSW, especially at the local level in Bourke. In that region, the NSW government is changing the way it delivers services, including looking to embed the Maranguka principles into local service delivery contracts.

> *"At the initial stages it was like pulling teeth trying to extract concessions [from government] around how to better work with community. Now, they are literally driving the change."* – Sarah Hopkins, Co-Chair, JRNSW

JRNSW has also had strong support in the higher levels of government, with NSW Minister Brad Hazzard becoming the ministerial champion for JRNSW in 2014 while he was attorney general and maintaining his role through his different ministerial positions.

With that said, changing government attitudes and approaches remains one of the most challenging aspects of the work of JRNSW, especially with respect to funding models. JRNSW works to understand the state, regional, and local policy and legislative changes that need to take place in order for justice reinvestment to succeed. For example, in Bourke JRNSW is putting in place a restorative and structured approach to suspensions from education, as a proof of concept for larger policy change.

JRNSW notes that the number of organisations working in the ecosystem has increased over time, which is considered beneficial as it provides additional support for the work. For example, Collaboration for Impact has been an important thought partner with JRNSW, as have Sydney Policy Lab and a number of other academic institutions.

Justice Reinvestment Network Australia (JRNA), a national network of Justice Reinvestment groups and stakeholders, was created in 2015. This group helps to support the growing ecosystem by sharing knowledge and to create a community of interest around justice reinvestment. Secretariat and chairing support is provided pro-bono by law firms. The Paul Ramsay Foundation has also provided funding to grow this national network.

The philanthropic ecosystem remains highly supportive of the justice reinvestment approach. JRNSW's pool of philanthropic funders has continued to expand and JRNSW believes that there is significant demand from funders to support impact-creating projects in Indigenous communities.

## Conclusion and learnings

JRNSW demonstrates the benefits of a long-term, persistent, community-centred approach to creating local-level change. JRNSW is an example of an intermediary that has been able to secure sufficient funding for its operations across its lifecycle to date due to strong philanthropic advocacy, a coalition-led and community-centred approach, and the creation of a substantial evidence base.

- **The value of philanthropic funder advocacy**

    The role of Dusseldorp in actively helping JRNSW and Maranguka to fundraise has been an essential part of JRNSW's success. Dusseldorp has promoted the work to other funders, helped bring them along the journey, and maintained the relationships with those funders as part of its support for JRNSW. This has not only given JRNSW and other funders confidence in the long-term viability of the organisation, it also frees up the intermediary's management time to focus on its work.

- **Utilising the knowledge and expertise of philanthropy to support efforts**

  JRNSW has attracted funders who have a good understanding of what it takes for a place-based intermediary to succeed. This has manifested in different ways – some funders have used their expertise to assist on projects, while recognising that the process is community-led and that they should not override that. Others have recognised the value in 'hands off' funding as well, which requires less staff time to support. JRNSW has been able to achieve a good balance between these two approaches, across its funder group.

- **Creation of strong, trusted philanthropic relationships**

  Thanks to a strong relationship with funders, JRNSW has been able to use its funders as sounding boards, including to leverage its knowledge, skills and experience for advice on JRNSW's operations. Importantly, JRNSW feels that it can be honest with its funders without fearing the funding will be at risk, which allows for open conversations and has built a high level of trust.

- **Effective long-term relationships with government**

  JRNSW has been very effective in working closely with senior bureaucrats to change perspectives around outcomes and government accountability. As part of this, it developed a key relationship with NSW Minister Brad Hazzard when he was the Attorney-General. He agreed to be the Ministerial champion for the work and has held this role ever since. This has been a boon to JRNSW as the Minister has been essential to shifting the mindsets of senior bureaucrats and removing blockages.

- **Slow pace of government**

  Despite this close relationship, some of the main barriers that JRNSW has experienced in progressing its work relate to its interactions with government. This includes delays in receiving data from government, getting buy-in from government and securing government commitment to a long-term fiscal model of reinvestment.

- **Reliance on patient philanthropy at the incubation and learning phase**

  JRNSW believes that it was best not to rely on government funding at the beginning of its operations, as such reliance would have required adhering to rigid measurement outputs. This would have been inconsistent with the need to operate at the community's pace, which is especially important when starting place-based work. It was beneficial that JRNSW was able to secure the support of patient philanthropic funders who did not expect immediate results. Funders understood that the work is long-term and were happy to commit for the long-term, thanks to being brought along the journey by JRNSW and Dusseldorp.

- **In-kind support from funders and others**

  JRNSW has leveraged its supporters to provide in-kind support to significantly bolster its reach and resources. Legal support, measurement and evaluation support, and premises have all been provided in-kind through the members of the organisation. A number of funders have contributed their skillsets across different parts of the work in addition to funding. For example, Dusseldorp has provided its communications employee to develop newsletters. This has allowed JRN to better concentrate its efforts. The in-kind creation of the impact report was also a significant boon to JRNSW's work, measuring outcomes in a way that tells a story and brings funders along the journey.

- **Support of auspicing organisation**

  The auspicing relationship with ALS has been critical to JRNSW's success. ALS has not only provided significant backbone support, it has also supported a number of its staff to spend time supporting JRNSW pro-bono while being paid by ALS (including the chair). As the auspicing organisation ALS has also taken on a lot of work of managing funding and employment contracts, which has allowed JRN to focus on developing partnerships with communities.

- **Funding is the critical barrier to further growth**

  The main barrier preventing JRNSW from expanding its reach and supporting more communities is a lack of funding.  There is substantial demand from communities to implement the justice reinvestment approach in new areas, and the persistent overrepresentation of Indigenous people in the justice system has only become more acute.

# 5. Opportunity Child

Authors: Dr Dianne Jackson (formerly OC), Seri Renkin OAM (formerly ten20 Foundation), Caroline Chernov (formerly ten20 Foundation) and the SVA team, January 2022

## Summary

Opportunity Child (OC) was an intermediary providing a breadth of functions to an emerging field of place-based systems change, focussed on population-level outcomes for children experiencing vulnerability. OC's intermediary type included being a field catalyst, a capability specialist in regards to backbone leadership and structure, an evidence-action lab for community backbone leaders, researchers, funders and policy makers learning together supported by developmental evaluation, as well as the provision of backbone support to place-based initiatives.

OC described itself as learning lab made up of *"a collective of leading communities and national organisations working together to change the system that impacts kids"*, specifically with the aim of improving the lives of the 65,000 five-year-old children who start school each year in Australia with big challenges in learning and in life.[22] OC applied the collective impact approach, a framework for creating large-scale social and systems change, where people, organisations and sectors work and learn together, led by communities.

OC was catalysed by a funder, the ten20 Foundation, in 2014, and was incubated within the Foundation for its first four years. It was spun out as an independent entity in 2018 but was unable to secure sufficient funding to continue its activities and closed in 2020.

The primary funding model for OC through its lifecycle was philanthropy, from ten20 Foundation and the Woodside Development Fund. While there was an aspiration to build a 'pooled' philanthropic fund that could support both communities and the core OC organisation, this concept was unsuccessful due to a range of factors including a lack of understanding by other funders of OC's field building function in early stage systems change, the inability in OC's lifecycle to attribute its support to population level impact, and the rise of other complementary field building intermediaries that may have competed for funding,

The experience of OC, and in particular, the intermediary's inability to secure its long-term financial sustainability, highlights the challenges for early-stage field building intermediaries to remain relevant and viable, as the ecosystem it supports tests new practice, learns and adapts to drive long term

### Overview

**Sector**: Early childhood development

**Intermediary type**: Backbone to place-based backbones, field catalyst, capability specialist and evidence-action lab

**Intermediary size**: N/A

**Charitable status**: ACNC registered with DGR status

**Intermediary structure at time of closing**: Independent organisation with its own Board

**Year established**: 2014

**Year closed**: 2020

22 ARACY, *Opportunity Child*, ARACY website, 2022, accessed 9 August 2022.

social change. It also alerts to the complexity of demonstrating impact to secure bridging philanthropic support, in a context where systems change evaluation methodologies were not well understood by Australian philanthropic funders, particularly when it relates to describing impact of intermediary support for early stage and emergent practice. The incubation of OC within ten20 and the subsequent auspicing arrangement compounded the challenges for OC.

# Timeline

Figure 1 below outlines the key decision points and milestones in OCs life including the points that had significant influence on the intermediary's funding journey.
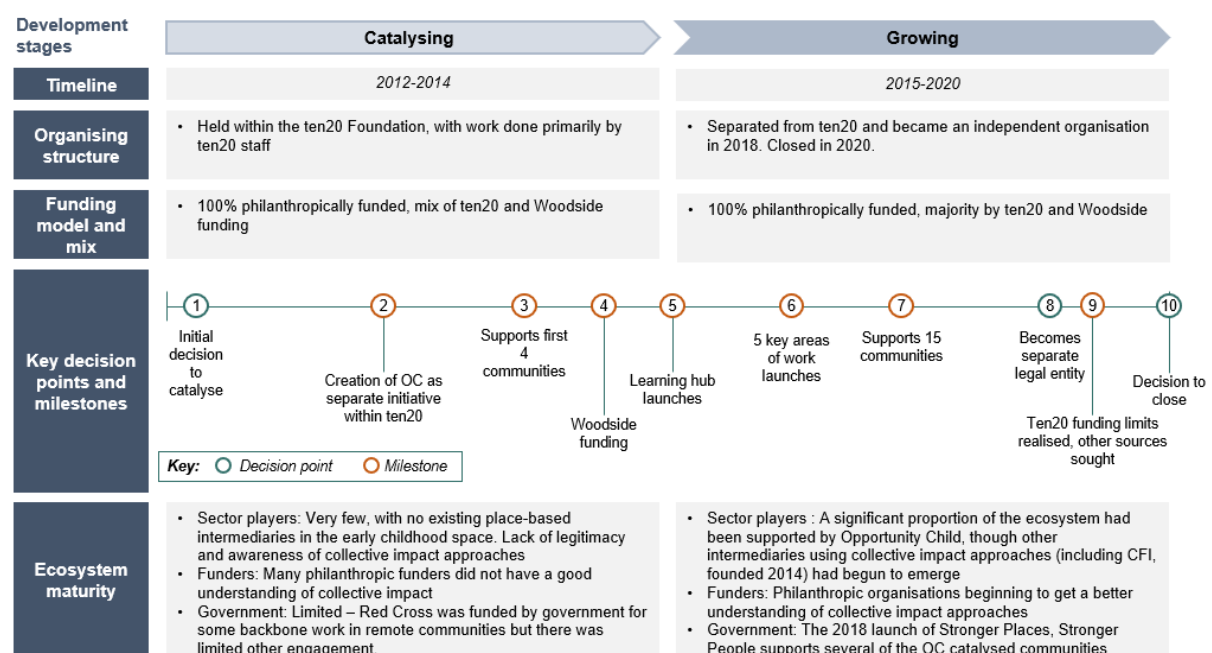


**Figure 6: Timeline of major events in the funding journey of Opportunity Child**

## Target business model

At OC's inception, the planned business model for the first 5 years was primarily philanthropy, with the potential for government funding and fee-for-service opportunities in the future, when the practice of place based collective impact had sufficient supporting evidence. It was recognised there was uncertainty about the long-term function of OC and therefore the sustainable model. It was hoped that government would have an appetite to fund OC once it had demonstrated the effective support of a pool of flagship communities, undertaking collective impact to address early childhood vulnerability. In addition, the business model of the Tamarack Institute in Canada was considered an ideal template as it was catalysed by $10 million from philanthropy over 10 years, starting with lighthouse communities all focussed on poverty reduction. It evolved to a sustainable business model thereafter.

One of the key elements of the planned model was a 'capital aggregation' stream of philanthropic income. That is, OC would pool funds from a number of philanthropic organisations, which aimed to have impact in early childhood and community led change. The funds would support communities directly through pass-through funding, as well as fund OC's role in peer-to-peer backbone learning and capacity building. This funding model was established in the US, and was viewed as a way to 'de-risk' and streamline systems change investments for investors. However, there was limited

understanding or appetite from the Australian philanthropic community for this kind of intermediary function at the time, and there were also complications around neutrality while OC was fully auspiced by ten20. The idea was put on hold following an exploration phase with several key funders.

# What Opportunity Child achieved and its legacy

In its last years of operation, OC was supporting local place-based initiatives or 'backbone' teams, which were focussed on changing life trajectory outcomes for developmentally vulnerable children in communities experiencing disadvantage. It had 5 key areas of focus for its work:

- OC Collective: Working with backbone leaders, teams and partners to create new ways of working including new cultures, governance structures and strategies.

- OC Learning: Developing the knowledge and skills needed to practise collective impact well, in particular to set up and run a sustainable backbone structure with community engagement.

- OC Capital: Developing a sustainable source of funding for investment in backbone structures of community led initiatives, focused on early childhood outcomes.

- OC Impact: Creating new ways of measuring the process outcomes and overall impact of the systemic work on the ground and of the OC lighthouse communities as a collective.

- OC Voice: Using the collective voice to drive change to social policy and systems at a national level.

Progress was made across all these areas, however, OCs aspiration for each was not fully achieved by the time of its closure.

Although it did not achieve all of its stated goals, OC is considered to have had impact in a number of areas including:

- Supported the development of a community of backbone leaders and field builders that had experience in collective impact approaches to drive place-based systems change in the sector. Many consultants who practice in this space came out of the OC learning community.

- Contributed to key policy change and investment in place-based initiatives, including the Commonwealth Government's *Stronger Places, Stronger People* initiative.[23]

- Of the 15 communities funded over the lifetime of OC, many are still operating as place-based collective impact initiatives and have secured other funding. These include Logan Together, Go Goldfields, and The Hive at Mt Druitt. Logan Together, for example, now has a substantial network of funders across government, philanthropy and other NFPs.

- In partnership with experts, OC developed a National Shared Measurement Strategy to measure changes in the lives of children aged zero to eight years old. This included an evaluation tool known as the Shared Outcomes Framework, which was the first of its kind.

- OC was a founding member and funder of ChangeFest, an Australia-wide forum to encourage community-led, place-based change. Its annual event attracts communities from all across the

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[23] Department of Social Services, *Stronger Places, Stronger People*, Department of Social Services website, 2022, accessed 9 August 2022.

country who have the opportunity to learn from each other.[24] ChangeFest replaced OC's own 'OC Connect' annual gathering at the beginning of ChangeFest.

With its closure, OC's legacy was picked up by Collaborate for Impact, with an intent to integrate components of OC's work into its own practice.

# The origins of Opportunity Child

OC was incubated and auspiced by the ten20 Foundation, and is the only intermediary case studied in this report catalysed directly by a philanthropic funder. Ten20 was formed from the liquidation of GordonCare for Children's $10 million in assets in 2013, with a mission focused on prevention and early intervention in the early childhood space. It was intentionally a catalytic funder and a sunset foundation, designed to expend its assets and then cease, which it did in 2020. One of the most significant achievements of ten20 was OC.

OC began as an idea within the ten20 Executive team, specifically founding CEO, Seri Renkin OAM and Executive Director, Caroline Chernov. During the initial years of ten20, they observed there was a lack of early phase capacity building funding to understand what it takes to break intergenerational cycles of poverty in Australia. In response to this, they were attracted to the collective impact approach to addressing complex social issues, which was proving successful in the United States.[25] They decided to invest a proportion of ten20's resources into supporting communities piloting the collective impact approach in Australia, to better understand its potential efficacy.

## What is collective impact?

Collective impact is a different approach to solving complex or "wicked" social issues. It is a collaborative approach that requires five conditions to ensure its effectiveness:

- a common agenda
- continuous communication
- mutually reinforcing activities
- backbone support
- shared measurement.

# Catalysing

2012–2014

### Organisational model and key decisions

While there was a specific decision to focus the efforts of ten20 on collective impact, the focus and structure of what would become OC was arrived at iteratively. Much of the early work of OC was done by the ten20 team as part of implementing ten20's strategy.

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[24] ChangeFest, *ChangeFest – the national celebration of place-based change*, ChangeFest website, 2022, accessed 9 August 2022.

[25] Australian Institute of Family Studies (AIFS), *Collective impact: Evidence and implications for practice*, AIFS, Australian Government, 2017, accessed 9 August 2022.

Through working with community backbone structures, ten20 recognised these nascent collective impact organisations would benefit from capacity building support beyond funding, as well as an integrated proof of concept of place-based collective impact itself. One community was not enough to build evidence. In addition, ten20 wanted to realise economies of scale given the similar capacity building requirements of many of the community initiatives it was supporting. This prompted the idea of a field building catalyst and collective 'backbone to place-based backbones' organisation, that would support these fledgling organisations as they grew and validate the promising, but emerging developmental evidence.

> "OC came from the realisation that you can't just spot-fund" – Caroline Chernov, ten20 founding Executive Director

ten20 also investigated supporting learning and development as part of the offering. However, the concept of a funder also providing services and training directly to organisations created some challenges. ten20 staff were acting for both OC and for ten20 as a funder. Following an independent review that noted the difficulty inherent in the team acting in both funding and support roles, OC was formed as an initiative within ten20 with its own funding allocation.

During the catalysing stage, ten20 convened a session with US and local experts where the early concept of OC was discussed. Out of this workshop a group of leading national organisations working across the early childhood practice, place-based research, service delivery and catalytic philanthropy sectors was formed to partner with OC. These included ARACY (the Australian Research Alliance for Children and Youth), the Centre for Social Impact (CSI), Goodstart Early Learning, Australian Red Cross, Murdoch Children's Research Institute, Woodside and Telethon Kids Institute.

> "We were influenced by the sector's demand that we were not legitimate if we didn't act in partnership. We tried to bring everyone along." – Seri Renkin OAM, ten20 founding CEO

Over the next 12 months OC formalised to bring together six partner communities who were all applying the collective impact approach, along with eight leading national partner organisations that were aligning their contributions. The intention was that the partners would align their resources and expertise to support the work of OC including co-funding research and connecting communities together. The partners did not contribute financially to OC directly, and there was no membership fee. Partners did have the opportunity to co-fund on OC projects that were aligned to their strategic needs. For example, Goodstart Early Learning and ten20 co-funded the initial National Shared Outcomes Framework.

## Funding need, sources and success factors

During this catalytic phase, OC's funding need was primarily to support practice-based research and development and backbone peer to peer learning, as the team worked to understand how to apply and evaluate the collective impact framework in an Australian context. ten20 effectively supported this, through both direct funding of the initiative and through the in-kind contribution of significant staff time. It is estimated that fundraising for OC at this time took up approximately 80% of the ten20 CEO's time.

At the same time ten20 was exploring collective impact in the early years, Woodside Energy launched the Woodside Development Fund, a commitment of $20 million over ten years in support of programs and organisations working to decrease developmental vulnerability and improve outcomes for children aged birth to eight years. ten20 successfully applied to Woodside for backbone support – an application that formed the first formal outline of OC's goals and objectives. In 2014, ten20 and

Woodside jointly funded a national learning platform to be supported by OC, called the Learning Hub. Woodside committed $1 million over several years to support the hub. OC's success in securing this funding from Woodside was primarily due to a close alignment of goals and aspirations. There was a shared vision for a national platform and strong connections between the two organisations through mutual partners.

> *"The right people were in the right organisations at the right time."* – Seri Renkin OAM, ten20 founding CEO

As the role of the intermediary evolved, a number of revenue streams were explored including additional income from conferences, consultancy to communities (fee-for-service) and membership to cover the costs of OC Collective (one of the five streams of work).

### Role of the ecosystem

At the time of its inception, the ten20 team considered the broader enabling ecosystem for OC's work to be highly emergent. Whilst collective impact was known and increasingly supported in the US and Canada, it had not been broadly applied in Australia and there were no existing intermediaries supporting place-based backbones in the early childhood space. Given this, OC worked hard to build the ecosystem including mapping out the application of the methodology, developing tools and frameworks to support backbone leaders and other activities to build the practice. In addition, much of the existing Australian work in creating shared community outcomes was proprietary and communities did not own their own data. This prompted OC to pursue an 'open source' approach, that was community led and informed.

> *"It was an idea before its time."* – Dr Dianne Jackson, CEO 2018–2020

As a result, the enabling funding and policy environment for OC was very limited. Woodside, as a corporate funder, was supportive due to its leadership having strong connections with ARACY and seeing the potential for impact in its mining communities. Many philanthropic funders were not well informed about, or interested in pursuing, collective impact as an approach. Governments had shown some limited engagement. For example, the Red Cross were funded by government for some backbone work in remote communities.

# Growing

2015–2019

### Organisational model and key decisions

The auspicing of OC by ten20 became increasingly challenging after the first few years of its operations. ten20 was a different type of funder, providing capacity building support and funding as well as advocating directly for policy change. This was uncomfortable for some in the sector, who were unsure about working with an organisation providing funding and perceived to be competing with some of their core activities. There was also a view that being auspiced inside a foundation was hampering the ability of OC to fundraise philanthropically, as other funders were less likely to 'fund a funder'. It was decided that there needed to be an arms-length relationship between OC and ten20, and OC was spun out as an independent legal entity with its own Board and charitable status in October 2018. Dr Dianne Jackson, former CEO of ARACY, was appointed as the founding CEO.

There was an attempt to bring together all the partners that had been involved in the work to co-design the new OC entity. However, this was unsuccessful. There was a belief that this was due to the fact that the new entity would be competing with the partners for funding, meaning there was a lack of interest in supporting it. Many had progressed their learning with OC into their own organisations.

## Funding need, sources and success factors

During this stage, OC looked to fund the expansion of its operations and support for more backbone organisations in communities. At its peak, OC funded and supported the backbones of 15 communities across Australia, as well as servicing up to 25 community backbones in their learning community.

ten20 remained the majority funder of OC throughout this growth period, including when it was established as an independent entity. The Woodside funding for the Learning Hub ended in 2016 and although additional funding was sought from Woodside in 2018, a change in the Development Fund's strategy meant that this was not successful.

There were a number of approaches to other funders prior to OC spinning out of ten20, with both the ten20 CEO and Executive Director tasked with exploring additional philanthropic funding. This was ultimately not successful, with a variety of reasons given including that it was challenging for funders to take the risk of supporting an early-stage organisation that was deemed unsustainable, due to its dependence on grant-based funding, funders wanting to run their own learning initiatives for communities they supported, or only seeing value in direct grant support to the community led backbones. Later ChangeFest became a place of scaled national learning and practice development that overtook OC and attracted funders that had seen value in OC. There was also a perception within OC that there was a limited understanding among philanthropic funders of the importance and value of field building intermediaries.

Once OC was spun out, it is estimated that OC's CEO spent approximately 80% of her time on fundraising, rising to 90% as the sustainability challenges became clearer. OC received one additional piece of funding, from Equity Trustees in 2019. The Equity Trustees funding was explicitly to explore partnership work and other sources of future funding for OC.

## Role of the ecosystem

The ecosystem began to be less emergent during this last phase of OC's life, with a number of new intermediary type organisations entering the collective impact space. This included the growth of Collaboration for Impact (CFI), an intermediary focused on building collaborative capacity for systems change. CFI represented both an opportunity and a source of competition for OC, as there was some perceived overlap in their activities. The number of early childhood focused intermediary initiatives had also grown to include Empowered Communities. Dusseldorp Forum and the Coleman Foundation also remained strong supporters of collective impact during this period and continued to support some of the communities that OC initially provided early-stage support to foster.

At the same time, and in part due to OC's efforts, both state and commonwealth governments became increasingly aware of the importance of this work in successfully improving outcomes for vulnerable children in a number of communities experiencing entrenched disadvantage. This work contributed to the 2018 launch of *Stronger Places, Stronger People*, a national, community-led, collective impact initiative, stewarded by the Commonwealth Government in partnership with state and territory governments and 10 communities across Australia. The initiative seeks to disrupt disadvantage and create better futures for children and their families through locally tailored and evidence-driven

solutions to local problems, in partnership with local people. To date, SPSP is supporting seven communities across Australia, including Logan Together, which was also supported by OC.

As the ecosystem matured and other intermediary organisations, such as Collaboration for Impact and Together South Australia evolved, OC questioned its ongoing relevance and value as an individual entity. Partnership or alignment with other like entities was an option, as funding for 'field' convening, practice-based knowledge building and peer to peer learning became competitive. This was often due to a perceived lack of impact by funders who were new to systems change efforts, or a view that it was better to fund the community backbone structures themselves. In addition, 'collective impact skills' became a service offering individual consultants marketed as fee-for-service. Some of these consultants were ex backbone leaders that had been supported in the open source, OC learning environment. Finally, ChangeFest in many ways epitomised the next, scaled up and collaborative learning space for community-led initiatives. Being a more neutral and inclusive evolution in the ecosystem ChangeFest was an opportunity for local and national field building backbones and intermediaries to come together, led by First Nations leaders and communities themselves.

## Closure

2020

When OC was spun out as an independent entity, ten20 still had two years of funding to support the operations of the organisation and to provide a runway for securing OC's ongoing sustainability.

While ten20 had always been a sunset organisation, it suddenly found itself with significantly less resources due to unexpected legal claims against GordonCare for Children, its former entity. OC had also been drawing down its ten20 funding at a faster rate than projected, due to a lack of other contributions. This left OC with only six months of funding in 2019, and prompted an urgent search for funding. A significant number of philanthropic foundations (at least 10) were approached for support, however funding was not able to be secured.

As OCs financial situation became more pressing, the search for solutions went wider, moving beyond funding to potential new auspicing or other arrangements to support the entity. Although many discussions took place, no suitable solutions were identified, primarily due to the funding required. Two organisations conducted due diligence: another intermediary and a large national not-for-profit. After significant efforts in both cases the proposals were unsuccessful due to perceived risks around OC's long-term sustainability.

Early in 2020, the board decided to discontinue operations after 29 March 2020 and wind down by the end of the financial year, due to a challenging fundraising environment and other constraints. CFI's Directors became the Directors of OC, with a plan for CFI to integrate components of OC's work into its own practice.

In addition to the loss of the planned two-year window to replace ten20 funding, a number of reasons have been put forward to explain the challenges OC faced in securing funding at this point

- **Articulating impact, as an intermediary operating in early-stage ecosystem development**

  OC's ongoing challenges in articulating and demonstrating its impact were seen as a factor that hindered its efforts to raise philanthropic support throughout its lifecycle. There was some evidence from The Hive of the impact generated but it was considered insufficient to convince funders. The need to demonstrate impact was particularly important given the significant level of risk associated with OC's national remit. The difficulty here was threefold – measuring the impact of a catalytic field-building intermediary is inherently challenging, and the iterative nature of OC's

development and limited resources meant that it had struggled to consistently and effectively document its evolving impact. In addition, Australian funders themselves were still learning about how to effectively assess risk and impact of community led, long term systems change initiatives. Funders didn't know what impacts they should be expecting at what stage. OC was trying to build a framework to understand this but it was still early. Finally, in systems change, true impact takes years. This required a very different approach to assessing impact and a new type of funding partnership with OC, where funders acknowledged themselves as a key part of the system that needed to learn and adapt as well.

- **Power dynamic between funders, when one funder dominates decision-making**

   Even with OC's legal independence, there was still a lack of perceived neutrality given ten20 was still the key funder of the organisation and the ten20 Board had oversight of all decisions.

- **Philanthropic attitudes to long term, systems change initiatives**

   There was a sense that the Australian philanthropic sector is traditionally more conservative in its approach to funding organisations than overseas counterparts. In general, it is perceived to be more difficult in Australia to get philanthropic support for systems change efforts, to fund intermediaries, or support collective impact approaches, especially as the impacts are often not realised for many years and require long term partnerships.

- **OC had fulfilled its function as an independent entity**

   Knowing when to exit is a key aspect of participating in long term systems change. The view of leaders of ten20 is that significant progress was being made across the ecosystem to understand place-based community led change and collective impact. With the launch of the *Stronger Places, Stronger People* initiative and the ChangeFest agenda, they believe many of the OC communities were getting access to long term funding sources for their backbone structures and participating in a national learning approach that validated their practice and journeys and provided support to keep going. There is a view that perhaps the early-stage field building work set out by OC was done and it was an appropriate time to hand over to others who had moved into positions where there was greater sustainability and relevance for the next stage of effort.

Funding support was sought from DSS during 2019, and OC continued to be involved in advisory meetings and consultations for the *Stronger Places, Stronger Peo*ple initiative right up until its wind up. Despite this engagement, OC believed that DSS had no appetite to fund OC and during this final phase OC did not pursue government funding, as it was assumed that the timeframes for approval would be too long given the urgency of the need. This was a point of contention with ten20, which was keen for OC to pursue government funding, especially with the *Stronger Places, Stronger People* initiative where it had been sought out for input.

On reflection, there is a belief from the OC team that given additional time OC could have been made financially sustainable, though this would have required some elements of its work to be either discontinued or taken up by another entity.

> *"The system wasn't ready to collaborate on an intermediary."* – Seri Renkin OAM, founding CEO of ten20

# Conclusion and learnings

OC is an example of an intermediary that was unable to ensure its long-term financial sustainability. This was in spite of significant investment and some demonstrated impact. OC's winddown cannot be attributed to a single causal factor – the emerging nature of the collective impact approach and understanding of the value of place-based change, elements of the funding and policy ecosystem, organisational model decisions and some unfortunate timing combined to prevent the organisation from securing sustainable funding.

The key lessons from the OC journey include:

- **An auspice arrangement can create challenges**

  While auspicing arrangements are common and protective among the intermediaries profiled in this research, there is a common thread that auspicing comes with caveats. In this unusual case, the philanthropic role of the auspicing body, ten20, appears to have had a negative effect on the ability of the intermediary to secure additional philanthropic funding at key points in its journey. This led to OC being pushed to exit ten20, even while its resources were relatively limited. OC believes that not enough time passed for the perceived neutrality issue to diminish by the time of its closure.

- **Articulating outcomes and demonstrating impact is essential for intermediaries**

  Given the expectations of the current Australian philanthropic landscape, there is a clear need for organisations seeking funding to demonstrate impact. This was challenging for OC, given the emergent nature of its work with place-based community-led change using a collective impact approach and at least the perceived lack of understanding of the nature of this work in the philanthropic community. OC believes there was a lack of understanding from funders about the connector/enabler role of intermediaries and their ability to provide 'just in time' support to initiatives on the ground.

- **Long-term, patient funding is important but not sufficient**

  OC had the benefit of an initial long-term patient funder in ten20, which is key to how it was able to establish itself and create the impact it did. It does however also illustrate the need to have a diverse group of funders, rather than a single source of funding. This patient funding was also interlinked with the auspice arrangements, which created a perceived lack of independence.

# 6. The Australian Centre for Social Innovation

Authors: Carolyn Curtis (TACSI) and the SVA team, February 2022

## Summary

The Australian Centre for Social Innovation (TACSI) is a social innovation organisation that aims to demonstrate new solutions and build the innovation capacity of Australia's social change sector to tackle the country's toughest problems. It supports the sector through developing and partnering on long-term systems initiatives, for example tackling the future of home and regional mental health, as well as working with partners to scale new practices, policies or innovations, such as Family by Family. TACSI also has an innovation consulting lab with a strong focus on capability building.

TACSI describes itself as a networked organisation. However, it does not consider itself an intermediary organisation in its entirety – it sees intermediation as one of several functions it fulfils.

TACSI was catalysed with innovation grant funding from the South Australian Government to drive the use of innovation as a mechanism to tackle complex social problems. Since then, it has primarily been funded by a combination of income from long-term partnerships and fee-for-service income.

In its twelve years of operation, TACSI has supported a variety of organisations across the public, private and social sectors to apply innovation. Whilst it does not subscribe to one method of innovation, three consistent principles are applied throughout all its work – human-centred, systemic and experimental.

## Current organisation outline

**Areas of focus**: Regenerative Communities, the Future of Mental Health Systems and the Future of Home

TACSI is also focussed on building infrastructure and practice in the areas of People-Powered Innovation, Social R&D and Social Innovation Workforce

**Intermediary type**: Attributes of an evidence-action lab and capability specialist

**Organisation size**: FY 2020 income of $6.5m; 30 staff

**Charitable status**: ACNC registered with DGR status

**Organisation structure**: Not-for-profit organisation established as an Incorporated association

**Year established**: 2009

# Timeline

Figure 1 below outlines the key decision points and milestones in TACSI's life, which had significant influence on its funding journey.
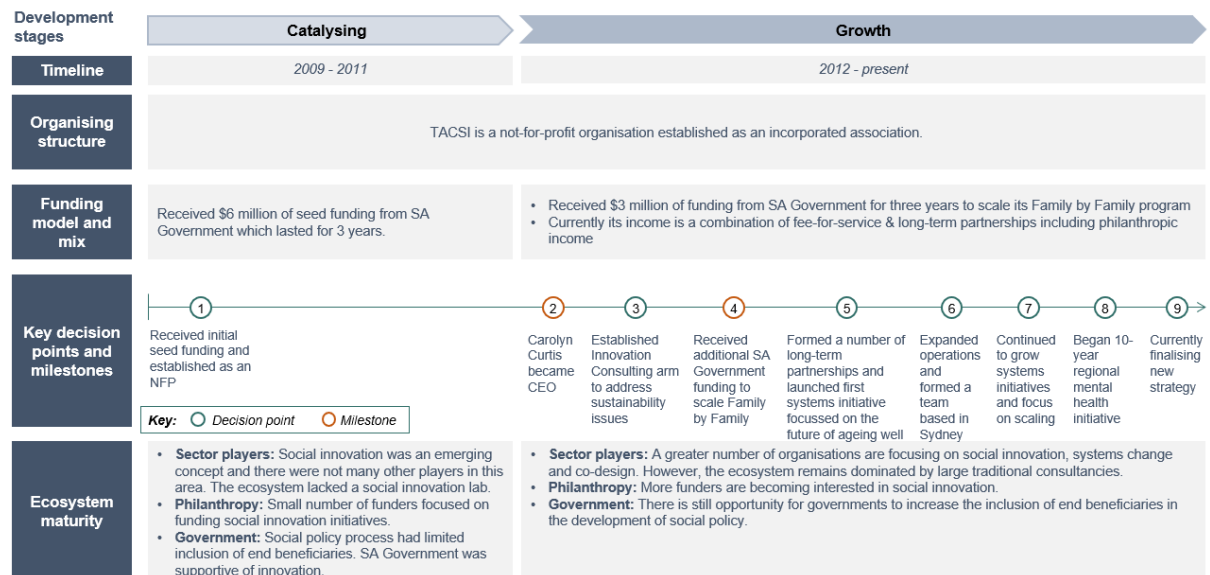


**Figure 7: Timeline of major events in the funding journey of TACSI**

## Target business model

TACSI did not have a target business model when it first commenced operations as it was working in the emerging field of social innovation and its catalysing phase was deliberately intended to be exploratory for it was working to understand the opportunity in the Australian context.

TACSI's funding model evolved over time. It initially was reliant on government funding (its catalysing funding was a government innovation grant followed by a $3 million government grant to further develop its Family by Family program) and is now primarily funded through long-term partnerships, including philanthropy and its fee-for-service income. The launch of TACSI's new strategy at the beginning of 2022 will see its business model diversify further.

# Current state

## How TACSI operates

TACSI is a not-for-profit organisation established as an incorporated association. It has undergone significant growth in the last few years, and now employs over 30 staff in total who work out of its Adelaide and Sydney offices. The year 2022 will also see further expansion into Melbourne.

TACSI currently works in three interconnected ways. First, it has an innovation consulting practice, which supports partners to solve complex problems through enabling rigorous innovation across services, organisations, policy and systems. Second, TACSI works on long-term systems change initiatives that are focused on tackling social issues through co-ordinated experimentation with partners across a system. Finally, it works with partners and communities to incubate and replicate successful interventions in response to social problems.

TACSI's eclectic approach includes methods from various disciplines including the social sciences, policy, community development, business and design.[26] It continually trials different methods and is open to different ways of working, and thus its offerings continue to change and evolve over time. While TACSI's offerings have evolved overtime, its three core principles – human-centred, systemic and creative – guide its work.[27] It also collaborates with and learns from organisations overseas including funders and for-purpose organisations.

## What TACSI has achieved

TACSI's key achievements are as follows:

- TACSI is part of a growing international movement of social innovation institutions. It has supported the development of an international network of practice-based organisations as learning partners including Arantzazu Social Innovation Laboratory, La 27e Region, Nesta, Public Policy Lab and the ROCKWOOL Foundation.

- TACSI has developed a diversified and resilient business model that it continues to adapt and evolve based on learnings and changes in the market landscape. It is not reliant on government service delivery contracts to maintain financial sustainability and has a consistent funding stream, which allows it to take a long-term view of social impact. It has also developed an organisational operating model, culture and infrastructure to support ongoing learning, agility and working at scale across a broad range of areas. TACSI continually develops and evolves ways of working with partners: from innovation consulting to systems initiatives, capability building, innovation partnerships and systemic networks. At 12 years TACSI is one of the longest standing social innovation organisations in the world, with low staff turnover and high rates of staff satisfaction.

- It has to helped to grow a stronger culture of 'people-powered practices and solutions', including the international scale of approaches such as Family by Family and Weavers. Family by Family, which was the first solution that it developed, was co-designed with families and pairs families experiencing hardship with families who have experienced hardships and overcome them. Since 2012, it has supported more than 1,500 families.[28] An evaluation found that the program has a 90% success rate in improving family life for those who participated, with cost savings estimated at $7 to government for every $1 invested.[29,30] Family by Family now has a scalable model, which can be implemented by communities.

- TACSI has influenced major state policy and reform agendas, such as working on the Skills for Victoria Independent Review and preparing 'South Australia's Plan for Ageing Well 2020–2025'. Furthermore, it is currently providing capability building support to South Australian towns and regions to support them to tackle mental health challenges, as part of a long-term systems change initiative called Our Town.[31] TACSI is also a founding partner of the 'Fire to Flourish' Initiative with Monash University and funded by the Paul Ramsay Foundation.

- It has helped to introduce and set a new benchmark for participatory design approaches and has advanced the national co-design and co-production agendas. This includes training, mentoring

[26] The Australian Centre for Social Innovation (TACSI), *About us*, TACSI website, 2022, accessed 9 August 2022.

[27] The Australian Centre for Social Innovation (TACSI), *About us.*

[28] The Australian Centre for Social Innovation (TACSI), *About us.*

[29] R Puttick, P Baeck and P Colligan, *The teams and funds making innovation happen in governments around the world*, NESTA, 2014, accessed 9 August 2022.

[30] Centre for Public Impact, *The Australian Centre for Social Innovation: the Family by Family (FbF) project*, Centre for Public Impact, 2016, accessed 9 August 2022.

[31] The Australian Centre for Social Innovation (TACSI), *Our Town*, TACSI website, 2022, accessed 9 August 2022.

and practice development of thousands of people in participatory design approaches and the conditions needed for more human-centred ways of working to thrive.

- TACSI has produced a number of important publications such as *Social R&D*, *Philanthropy, Systems and Change*, *When Love Meets Power* and *The Future of Home*.[32]

# The origins of TACSI

The idea for TACSI emerged from the Thinkers in Residence program, which was a South Australian Government initiative designed to generate new ideas for the state. Geoff Mulgan, who was the CEO of British innovation organisation The Young Foundation at the time, was one of the thinkers in residence. He was tasked with examining how South Australia, and Australia more broadly, could become more progressive in how it tackles complex social policy issues. He formed an opinion that while South Australia had some promising initiatives, there was insufficient innovation in its policy-making.[33] One of his recommendations was the creation of TACSI to solve practical problems and to help build the social innovation field. TACSI was then formed with Brenton Caffin as its founding CEO, with catalysing funding from the South Australian Government.

# Catalysing

2009–2011

## Organisational model and key decisions

TACSI began operating as an independent not-for-profit organisation with its launch in 2009. During its early years TACSI was focused on establishing its roots through engaging with stakeholders, including similar overseas organisations such as MindLab in Denmark and Kennisland in the Netherlands.[34] It used its seed funding to conduct experiments and trial solutions to social problems, such as developing its first solution, the Family by Family program. These initial projects were used to demonstrate the potential value of investing in social innovation.[35] TACSI also ran the *Bold Ideas Better Lives Challenge* in 2010 to identify promising Australian social innovations to support as well as to build its understanding of the existing social innovation ecosystem.[36]

It began with just one employee, its CEO Brenton Caffin, and then grew to approximately fifteen employees during this period.

## Funding need, sources and success factors

TACSI's sole funding source for the first three years was $6 million of catalysing funding from the South Australian Government. This was an innovation grant, which had few constraints and expectations of specific deliverables at the end of the funding period. It was also unique in that

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[32] The Australian Centre for Social Innovation (TACSI), *Social R&D*, TACSI, 2021, accessed 9 August 2022.
The Australian Centre for Social Innovation (TACSI), *Philanthropy, systems and change*, TACSI, n.d., accessed 9 August 2022.
The Australian Centre for Social Innovation (TACSI), *When love meets power*, 2020, accessed 9 August 2022.
The Australian Centre for Social Innovation (TACSI), *Future of Home*, TACSI, 2021, accessed 9 August 2022.

[33] G Mulgan, *Innovation in 360 Degrees: Promoting Social Innovation in South Australia* [PDF], Department of the Premier and Cabinet, Government of South Australia, 2008, accessed 9 August 2022.

[34] Puttick et al., *The teams and funds making innovation happen in governments around the world* [PDF].

[35] Puttick et al., *The teams and funds making innovation happen in governments around the world* [PDF].

[36] Puttick et al., *The teams and funds making innovation happen in governments around the world* [PDF].

although it was South Australian Government funding, there was an expectation TACSI would have a national remit.

TACSI's view is that government funding of this nature and quantum at the time was quite bold. The Thinker in Residence program had real gravitas in catalysing progress in South Australia and there have not been any initiatives since which have had the same level of strong political buy-in.

### Role of the ecosystem

In a general sense, governments in Australia did not regularly incorporate the voices of end beneficiaries and people with lived experience in the policy-making process. However, the South Australian Government was keen to explore new opportunities for the state, which resulted in the launch of the Thinker in Residence program as mentioned above. The program was held in high regard across government – this meant that the government was receptive to the recommendation on driving social innovation through launching TACSI.

At the time, social innovation was an emerging field in Australia with not many major players. TACSI's role was to support the development of the field including through the *Bold Ideas Better Lives Challenge*. Furthermore, as it was an emerging field, there were few funders focused on funding social innovation initiatives.

## Growth

2012–present

### Organisational model and key decisions

Carolyn Curtis became CEO in 2012, which was a critical time for the organisation. Given that TACSI was working in an emerging field, it had experienced challenges in uncovering a sustainable business model, and it had many 'near death experiences' as an organisation in its early years.

It was clear that it needed to make changes to ensure long-term financial sustainability. It went through a process of critically examining itself as an organisation, the value that it offered the ecosystem, and how it could monetise its work. It stripped back the organisation to a minimum level of FTE and made the decision to develop a fee-for-service offering based on the practices that it had developed in the previous three years. It also began developing long-term partnerships to focus on the implementation and scaling of innovations at a systems level.

Importantly, it understood that it needed to build an organisation that would be able to continually learn and evolve.

### Funding need, sources and success factors

This period involved a significant amount of change in TACSI's funding model. The initial seed funding from the SA Government expired in 2013.[37] There was a hope that government funding would be ongoing (and this was recommended as part of the Thinker in Residence program), but this did not eventuate due to a change in political leadership and associated government priorities.

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[37] Puttick et al., *The teams and funds making innovation happen in governments around the world* [PDF].

However, in this period TACSI secured another grant from the SA Government in 2013 to scale Family by Family, due to the SA Government's commitment to innovation and the positive outcomes returned by an external evaluation of the program.[38]

In approximately 2013 it introduced a fee-for-service offering. In 2014 income from this source comprised only 10% of its income. This grew to 37% by 2015 and 65% of income by 2017. TACSI's view is that a number of conditions need to be in place for a fee-for-service offering to 'work'. First, it is important to TACSI to have other parallel income streams that support projects and initiatives with a longer term focus. In addition, it ensures that it takes a strong portfolio approach to its consulting projects to ensure it is understanding the aggregated learning from its work and is having the impact it aspires to achieve. It uses a measurement and evaluation framework to support this journey.

It was in this period that TACSI also began to receive philanthropic support (primarily for specific programs and activities rather than core funding). This included funding from the Fay Fuller Foundation to lead the Our Town initiative, participation in the 2020 Bushfires Resilience program and Creating Partnerships for Potential (CPP) – A Peer to Peer Initiative (P2P) (both funded by Paul Ramsay Foundation) and a six-year philanthropic partnership with Equity Trustees (The Wicking Trust) to explore the 'Future of Home' in Australia.

TACSI has observed over time that its funders' risk appetite and sense of curiosity has grown as it has built trust and demonstrated impact. This has resulted in longer, and larger, grants, up to 10 years in duration. The funders are aligned in their interest in ways of working differently, but do not necessarily have a strategic focus area of, for example, social innovation. Instead, there is an alignment with underlying issue areas such as ageing, mental health and children and young people.

A key funding challenge is that funders like to fund programs, rather than core operations. TACSI has only recently – for the first time – started receiving core funding from one philanthropic funder, which covers approximately 15% of its organisational overheads. This has allowed TACSI to invest more in organisational development and work to build a better learning infrastructure for its own workforce – as well as the partners and communities it works with.

It otherwise manages its overhead costs by having a very lean infrastructure, which it can fund through its business model. Managing this is complex and time-consuming and TACSI's view is that it could deliver more impact if it had greater core funding.

## Role of the ecosystem

During this period Australia's consulting market has remained dominated by large, traditional consultancies. This has made it difficult for organisations that promote newer social innovation techniques to compete in the market (particularly for large government projects). However, despite this challenge, TACSI has observed a growing appetite within the social sector to strengthen innovative practices. Over time, this interest has evolved from design thinking to human-centred design to co-design and some parts of the ecosystem are now even moving to co-production. There are also a growing number of organisations that now engage in this area or touch on it.

In TACSI's view, Australia continues to lack a strong funding mechanism for social policy innovation, meaning that there is a lack of funding that supports experimentation, and research and development, which takes a long-term view of impact. While there are some grants that exist, in general Australia lacks incentives for innovation, the development of new evidence, workforce and skill development, and funding pathways that enable small experiments to scale.

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[38] Puttick et al., *The teams and funds making innovation happen in governments around the world* [PDF].

Despite this, the overall lack of funding, the number of philanthropic funders interested in funding social innovation initiatives continues to increase, though the total pool of funders remains small. While many funders have a focus on systems change, TACSI's view is that this has not necessarily translated into their funding practices.

It is TACSI's view that social policy development within Australian governments could be more progressive in its approach. While there is a growing move to include the perspectives of end-beneficiaries in program design and policy development, there is still more opportunity to further enable meaningful engagement of end-beneficiaries. There are, however, pockets of government, which have demonstrated a strong innovation interest, for example the Victorian Mental Health Royal Commission and Wellbeing SA.

# Conclusion and learnings

TACSI's funding model has evolved from its initial government innovation grant to explore the ecosystem, to a blended funding model combining philanthropic and long-term partnership funding and fee-for-service consulting income as its primary sources of revenue. This blended funding model has supported the implementation and scaling of innovations that lead to impact at a systems level.

Key learnings include:

- **Fee-for-service income, aligned with mission and values, is a viable revenue source**

  Fee-for-service income can be a significant revenue source for organisations with a clear product or service offering, which has a market willing to pay. TACSI's target client base for its innovation consulting work includes governments, large not-for-profits, and some progressive private sector businesses that have demonstrated a capacity to pay for its services. This income stream can also support financial sustainability through a contribution towards organisational overheads. However, the portfolio of fee-for-service projects needs to be balanced to ensure it is contributing to the organisational mission and the outcomes it seeks to achieve.

- **Fee-for-service income is unlikely to be suitable as a sole revenue stream for an organisation working on complex social issues**

  In TACSI's experience, consulting work alone is unlikely to support long-term systems change efforts with various players across an ecosystem including not-for-profits, communities, governments and other key stakeholders. This effort requires working with multiple organisations, across multiple levels over a long period of time, as opposed to completing siloed projects with clients. These efforts require additional income streams that enable a longer-term focus and allow an organisation to iterate on projects over time.

- **Social policy within government could be more progressive**

  TACSI perceives that governments in Australia are still yet to fully embrace progressive policy development processes that adopts a social research and development approach including the meaningful engagement of end-beneficiaries. This affects the nature of grants it provides and the type of specialists it engages.

- **There are progressive funders focused on systems change work and innovative practices however these funders are in the minority**

  TACSI has benefited from receiving long-term, financial support from funders who have a deep, genuine commitment to achieving impact for people and communities, and support innovative ways of working. These philanthropists have been a significant enabler of TACSI's work.

- **Building trust can result in larger and longer grants but funding for core operations is still lacking**

  The amount and duration of its philanthropic investments has grown over time as TACSI built trust and demonstrated the impact of its work. However, there is still a low appetite on the part of funders to provide core funding for overheads.

# 7. The Front Project

Authors: Jane Hunt (TFP) and the SVA team, January 2022

## Summary

The Front Project (TFP) is an intermediary that takes up different roles in the early childhood education and care (ECEC) system to best respond to opportunities for creating impact.

The type of intermediary that best describes TFP is a 'field catalyst'. Field catalysts achieve change by deploying capabilities, quietly influencing and augmenting the field's efforts to achieve population-level change. TFP also adopts the role of *actor* in the system where it has an interest, concern or direct connection with the system.

This dual approach (as both intermediary and actor) is central to TFP's success in achieving impact. As an intermediary, TFP contributes to system improvements through convening representatives from across the system to work on common issues, equipping others to advocate for change and conducting research that stakeholders can use create change. As an actor, TFP directly supports the sector through training programs, advocacy to government and initiating its own research.

TFP's view is that the true potential of the sector is *"being held back by mindsets, government policies, funding models, complex operations and changing family and community needs"*, so its approach is designed to allow the organisation to work across all of these areas simultaneously.

TFP was founded as ReadyNation Australia in 2017, with a focus on engaging the business community in supporting advocacy on reforms to the ECEC system (building on a successful model in the USA). As TFP engaged with players across the ecosystem, it quickly broadened aspirations to take on the systems change role that it continues today.

The majority of TFP's funding comes from philanthropy. It has a growing fee-for-service income stream from its training and development work with the early learning workforce and has developed additional funding models. Due to the nature of funding systems change work in Australia, philanthropic sources will be a significant proportion of TFP's revenue mix for the foreseeable future. Further, given TFP's critical advocacy role, pursuing significant government funding for activities other than the upskilling of the workforce would likely put its independence at risk – and that independence has been identified by TFP's stakeholders as crucial to its success.

### Current intermediary outline

**Sector**: Early childhood education and care

**Intermediary type**: Field catalyst and evidence-action lab

**Intermediary size**: 2020 revenue of $2.5m, 14 staff

**Charitable status**: ACNC registered, does not have DGR status

**Intermediary structure**: an independent not-for-profit with its own Board

**Year established**: 2017

# Timeline

Figure 1 below outlines the key decision points and milestones in TFPs life including the points that had significant influence on the intermediary's funding journey.
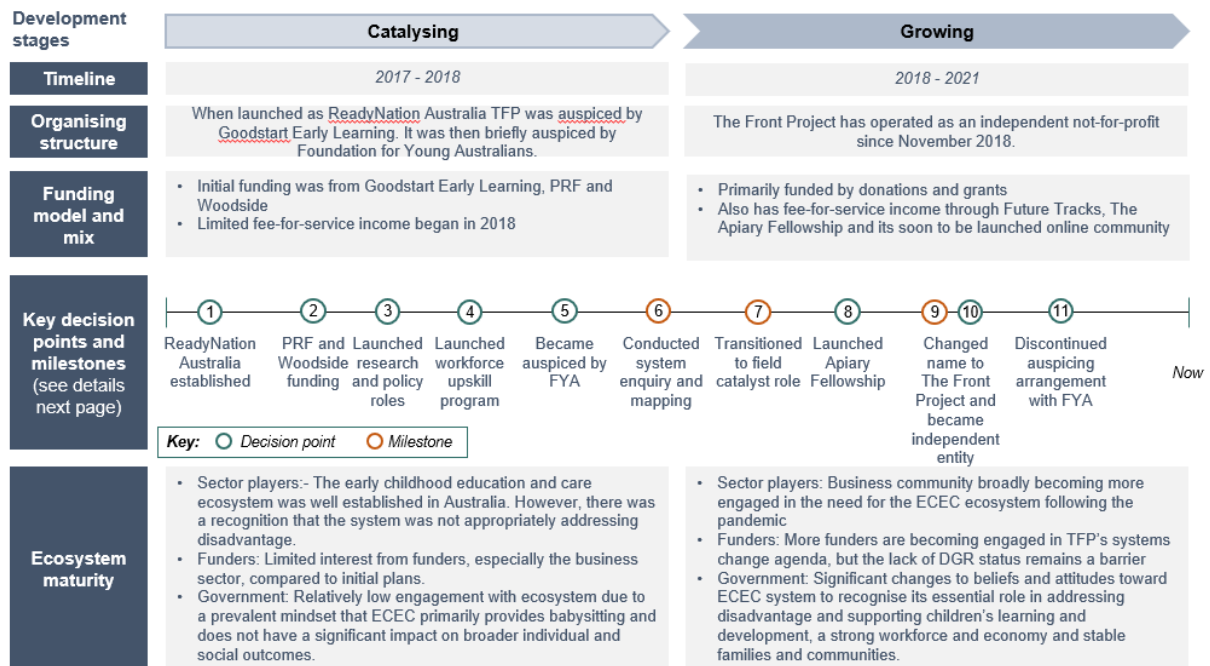


**Figure 8: Timeline of major events in the funding journey of The Front Project**

## Target business model

TFP's target business model has undergone a number of shifts as the organisation has refined its focus and its understanding of the broader ecosystem has evolved.

Initially, when TFP was started as ReadyNation with a focus on business advocacy, there was a belief that businesses would fund TFP alongside contributions from philanthropy. However, it became clear that, apart from support received from the Woodside Development Fund, securing business support was not realistic. At that time, the business community was not championing early education, the value proposition of TFP to help businesses to work together to advocate for the sector was not resonating, and the landscape was not set up to accommodate funding to support systems change work.

> *"Australia needs a more sophisticated approach to funding systemic work that seeks to undo cycles of disadvantage and support systems to work at their best potential over the longer-term."* – Jane Hunt, CEO, The Front Project

TFP believes that philanthropic funding is essential to sustain intermediary organisations. This is because to be successful, it requires some distance from the system it is trying to influence, as opposed to being an active player in the system. Funding provided by organisations within the system is challenging in that it potentially restricts activities that are against the individual interests of the incumbents in the system.

Historically, TFP has had access to limited fee-for-service income through its programs The Apiary, Online Community and Upskill Program. There is a small contribution to the organisation from the Apiary fellows, but it does not fully cover costs. It is planned that the workforce initiatives (upskill program and online community) will scale significantly and become a contributor to the overall sustainability of the organisation. TFP is currently growing this program with the ambition that it will cover approximately 60% of TFP's total expenditure over the next five years to 2027. While this move to covering more than half of expenditure with revenue-generating activity is a significant change for how TFP operates, it leaves a sizable portion of TFP's intermediary work to be met by funders, with the most likely sources being philanthropy and government.

TFP has prioritised philanthropy over government funding for its core work due to the risks of compromising its independence. It takes up opportunities to consider government funding when appropriate, one example being applying for government tenders to support the upskill program, with the general understanding that the funding would only support the delivery of existing programs. TFP uses strict criteria to determine when it is appropriate to apply for government funding.

# Current state

## How The Front Project operates

TFP plays two distinct but overlapping roles in the ECEC system – both as an actor within the system, as well as an intermediary. As an actor, it supports educators to become teachers and advocates directly to government. As an intermediary, it works to amplify and support the efforts of others, create opportunities for collaboration and deliver research for others to use to enhance their work.

The Front Project currently has four key initiatives:

- Workforce Initiatives: Upskills and equips early childhood education professionals with mentoring, professional development, resources, tools, new knowledge and creative thinking to enhance the experiences that they bring to every child.

- The Apiary Fellowship: Brings together individuals who are committed to unlocking their ability to ignite systemic change. Apiary Fellows build leadership, collaboration and design and scale initiatives, with the goal of bringing about lasting impacts for children.

- Business Champions: Works with influential business figures to educate them about the benefits of early learning, and empowers them to advocate amongst their own networks.

- Research & Policy: Develops evidence-based resources to inform policy, inspire advocacy and support program delivery.

In 2021 TFP launched an Online Community – a community of support, practice and learning for early childhood professionals, which will include professional development opportunities. TFP It is also exploring the launch of a new 'Think+Do Tank', to develop the sector's capability to collaborate and innovate, facilitate evidence to action and scale initiatives in ECEC.

## What The Front Project has achieved

TFP has made a significant contribution to how the early childhood education and care sector understands outcomes and measures impact. It commissioned the first comprehensive Australian analysis of the economic impact of early childhood education, which was published in June 2019 with PwC.

TFP has provided capacity building and ongoing support to the sector, including:

- Raising the quality of early education including through increasing the quality and the number of teachers and the status of the profession through its Upskill program.

- Developing scenario modelling on the impact of Covid-19 on the sector, and supported sector leaders through the pandemic.

It has also increased collaboration within the sector, including by convening leaders through the Apiary program.

TFP has had significant achievements in the policy space, including:

- Changing the dominant narrative from being about caring for children to ensuring appropriate education and development for children and strengthening Australia's workforce and economy, which in turn, has influenced the broader policy framing (such as, policies that are framed as supporting parents to work the hours they want to, and children to access 'essential' learning and development).

- Inputting into federal and state government policy and funding responses to Covid-19.

- Contributing to changes to the Child Care Subsidy (CCS).

TFP has been contacted directly by governments to advise on policy issues, demonstrating the strength of its reputation and credibility.

# The origins of The Front Project

There was recognition of a growing need for an organisation that could help attract more interest from the business community for the early years sector, in order to elevate early education as a key focus for the national agenda. The Founding Chair Michael Traill and CEO of Goodstart Early Learning, Julia Davison identified ReadyNation as a potential replicable model to deliver this in Australia. Jane Hunt joined as Founding CEO and TFP began its journey as ReadyNation Australia with support from Goodstart Early Learning and the Paul Ramsay Foundation.

TFP's focus was to address the disadvantage that has been causing one in five children to start school with developmental vulnerabilities. Its key avenue to create the change needed to do this was through engaging business leaders to be advocates for ECEC, in line with the US ReadyNation model.

## Catalysing

2017 - 2018

### Organisational model and key decisions

ReadyNation Australia was originally an advocacy organisation formed to drive policy change in the ECEC system. ReadyNation International supplied the model and provided training, as well as a peer network of the other organisations using the ReadyNation approach.

As one of its first initiatives, TFP undertook a research phase to understand the system, including stakeholders, drivers of change and relationships. This mapping was explicitly looking for gaps in the system for the new organisation to focus on.

This initial research allowed TFP to more clearly articulate its aims – to act as a catalyst for the field of early childhood education and care, and to bring about change in the system. It also helped get clarity about the role that TPF should play in the system – that of both a player in the system and an intermediary supporting it.

> *"To change the system we need to be able to work with the entire system, at all of its levels, at the same time. It isn't possible for just one organisation or individual to be able to hold all of the perspectives and 'moving parts' of a system, so we bring all of those involved in early learning to work together to build a better, higher-quality and more equitable system."* – Jane Hunt, CEO, The Front Project

This clarity about role then informed the way TFP would operate and fund itself. It was considered essential that TFP be independent and not be seen to have vested interests. TFP recognised the attitude within the sector and in government was that many of the organisations in the sector advocated purely for their own best interests. TFP's shift in focus also prompted a shift in the skills needed to achieve this. TFP realised that to be effective as an intermediary, it could not be 'the most expert in the room', and that specific skills around supporting others were essential.

At the time of its creation, the theory of change for TFP was that ECEC was an undervalued sector and that by engaging business as advocates to government and the community, the perception of the importance of ECEC would increase. It quickly became apparent that business as advocates alone would not solve both the perceived value of ECEC or improve children's outcomes.

During this phase TFP concluded the ReadyNation model did not match with its ambition for long-term, systemic change. Further, TFP concluded that being a pure advocacy organisation or service delivery organisation had shortcomings – advocacy efforts can be undone, and service delivery is difficult to scale. It began to expand the model beyond what became known as the business champions network and articulate the other activities it would undertake. TFP then took an important step to evolve ReadyNation Australia into the Front Project, which was established as a national enterprise with a strong conviction: that significant change at scale would only be realised through the application of a method that involves working systemically. TFP does, however, remain part of the ReadyNation International network and there is a continued exchange of knowledge about policy and practice.

Many aspects of this original focus remain relevant as TFP's work has expanded in response to changes in Australian policy, the ECEC sector and the needs of families and communities, before and during Covid-19.

In the first two years, TFP had a formal auspice arrangement with Goodstart Early Learning. However, for TFP to be an effective intermediary, it could not be aligned with a provider in the system. There were perceptions of bias from government and the sector, with the sense that TFP was an 'arm of Goodstart', advocating for what Goodstart wanted. This prevented TFP from fulfilling its field catalyst role to its full potential. Further, as Goodstart does not have DGR status, this was hindering TFP's ability to attract funding from philanthropy. For these reasons, TFP separated from Goodstart in November 2018 and became an independent entity, auspiced by the Foundation for Young Australians (FYA). This auspicing arrangement was light-touch and there was little in-kind or other support.

In 2018 TFP launched a range of initiatives designed to respond to a core challenge – to improve the equity, quality and accessibility of ECEC for children, with a focus on those experiencing disadvantage. Many of its initiatives (Upskill Program, The Apiary and online community) have been

designed as social enterprises that would make a significant contribution to TFP's sustainability as an organisation into the future.

## Funding need, sources and success factors

During this phase when TFP underwent a number of changes in its focus, funding needs and opportunities to secure funding sources changed accordingly. In its original form as ReadyNation Australia, the organisation was auspiced by Goodstart Early Learning. This included Goodstart contributing roughly $200–$250k in staff costs as well as in-kind contributions through back-office support over the first 12 months of the organisation.

As part of the evolution of the model, TFP received catalytic funding from the Paul Ramsay Foundation (PRF). This was effectively scoping funding, to give TFP time to develop a full proposal for multi-year PRF support. Using this funding, TFP submitted a request for longer-term funding for two aspects of its work – a systems change effort (then known as the Early Years Springboard) and Future Tracks, as a specific intervention to upskill the workforce. This submission was successful, and in June 2018 PRF funded TFP for both aspects of its work over three years.

At the same time, TFP was engaging with Woodside Development Fund and successfully applied for funding to engage business in advocacy in addition to broader advocacy work. There was a sense that the two Foundations (PRF and Woodside) had an existing relationship, and both were aware of the conversations the other was having with TFP. Woodside was able to fund TFP relatively early as it had no requirement to only support organisations with DGR status. This funding was explicitly to support TFP's advocacy activities with government.

In this early phase, TFP was already looking for opportunities to bring in fee-for-service income. As part of the gap analysis, it realised that significant opportunities existed in the ongoing learning and development of educators in the early childhood space. Eighty-six per cent of the workforce is diploma qualified or below, with limited opportunities for further professional development. TFP created the Future Tracks program to help address this issue. While this work was intended to be funded by PRF, delays in signing contracts for Future Tracks meant that the initial funding for the program came from Goodstart, which TFP then paid back when the PRF money was received. This in turn delayed the separation of TFP from Goodstart. Part of the drive behind this early investigation of the potential to generate fee-for-service income came from the background of TFP's founding CEO as a social entrepreneur. This highlighted the importance of ensuring TFP had diversified income streams and multiple avenues for support.

> "We established a revenue-generating enterprise that would contribute to more and more of our income and eventually the majority of our income, which we are now expecting to realise in our next five-year horizon." – Jane Hunt, CEO, The Front Project

It was during this phase that TFP also began refining how it would help others understand its value add, or contribution to impact, as an intermediary. One of the key realisations was that output-focused measurement, and by extension, funding proposals based on outputs, were not suited to the intermediary role it was playing. Instead, TFP worked with funders to demonstrate what was achieved but also what didn't work and what learnings could be created. TFP commissioned Clear Horizons to work with them on a Monitoring Evaluation and Learning Framework for their work creating systemic change. It was the first of its kind in Australia and is drawn on by other intermediaries.

### Role of the ecosystem

The ECEC system in Australia is well established with a variety of organisations aiming to achieve impact operating in the sector, including peak bodies, service delivery, research and advocacy organisations. However, TFP is the only organisation working as an intermediary, responding to all kinds of opportunities for change at a whole of systems level. This unique perspective put TPF in a position to drive national policy change, build and broker evidence, and support leadership capability in the sector.

> *"What makes our Systems Change approach unique compared to pure advocacy, research or policy work is how we consider the entire early education system to understand how it intersects with our broader society; learn where the best opportunities are to optimise outcomes; and find appropriate, feasible solutions that deliver the most benefits."* – Jane Hunt, CEO, The Front Project

TFP described the ECEC system at this period as somewhat hesitant of innovation or entrepreneurship, due to the way its funding structures carry risk and the existing players that have varying individual interests. This placed some barriers in the way of TFP's work, but also highlighted the need for an intermediary to play the convening role. PRF offered additional support to TFP during this stage, in the form of bringing together their fundees to create a peer network of sorts. This was considered immensely helpful, as many of the organisations were facing similar challenges.

# Growing

2019–present

## Organisational model and key decisions

The changes to the early childhood system as part of the government's response to the Covid-19 pandemic, led to a rapid pivot in TFP's activities. To support the sector by playing an effective advocacy role, it collected confidential financials from other organisations to model the viability of the sector under different scenarios that could occur as a result of changing health restrictions, funding models and needs of children and families. This unprecedented sharing of commercial information was thanks to the trusted relationships TFP was able to develop within the sector. This enabled TFP to play a key role advising government on the effect of various changes and equip others to use the same data in their own government relations activities.

This rapid change affected only part of TFPs work. It considered itself a 'two-speed' organisation, with the systems change focused part pivoting rapidly to take advantage of changes in the system and the service provision part of the organisation (the upskill programs) remaining relatively stable.

**Funding need, sources and success factors**

In the 2018/19 financial year, 99% of TFP's income came from grants and donations, with this dropping to 91% in 2019/20 as it generated more earned revenue from projects and training.

Woodside Development Fund, building on the success of the work of the TFP through the pandemic and the impact achieved, re-funded TFP for a further three years in 2020. This funding, of approximately $100k per year, is explicitly to fund the advocacy work focused on improving the equity, quality and accessibility of ECEC and advocating for two years of quality early learning for every child in Australia.

PRF, aware of the challenges and opportunities created by the pandemic, provided TFP through its *Sustaining Our Partners Taskforce*, with an additional year of funding to support the advocacy efforts in advocacy, rapid policy development during the initial stages of the pandemic and convening of the sector to help them make sense and response to the pandemic.

TFP believes that philanthropy will always be an important part of the funding mix, as it allows the organisation to retain its independent voice. At present, TFP has a number of philanthropic funders approaching them to support their work, however TFP's lack of DGR status means that it is ineligible for funding from many funders. TFP believes that the programs it runs and its research and policy work are what make the organisation attractive to funders.

TFP intends to expand its fee-for-service offering through launching an online community in late 2021. This will be an online community of practice for early childhood professionals, which offers professional development opportunities. TFP is keen to test and scale this online community, particularly through focusing on regional and remote areas. It is expected that participants will be charged for both membership of the online community and for the professional development opportunities.

TFP's business model and financial sustainability is evolving. For TFP's first five years, it has been predominantly funded by philanthropy (~95% or so). TFP have now developed a model underpinned by a profitable social enterprise that will see TFP's reliance on philanthropy drop to closer to 48 if its targets are met.

TFP's fee generating services are attached to its role as an actor. Securing funding to cover its role as an intermediary, while maintaining the independence it requires to be effective at that role, is more challenging in the current Australian philanthropic environment.

### Role of the ecosystem

The business community was not championing the early childhood sector when TFP was established. The Covid-19 pandemic changed this, and there is now significantly more business support for the sector due to the recognition of the key role ECEC plays in supporting workforces.

The difficulty of field-building intermediaries acquiring DGR status is an ecosystem-level barrier to their ongoing sustainability. Without DGR status, many philanthropic organisations will be unwilling or unable to support an organisation. TFP believes that the majority of its activities now meet the requirements for DGR endorsement, however, intermediary work alone does not fall within the definition for acquiring DGR status.

## Conclusion and learnings

TFP is an example of the critical importance for field-building intermediaries to rapidly pivot focus and activities when presented with new opportunities. TFP has been able to secure significant philanthropic funding to grow the organisation in response to new opportunities primarily through one funder, PRF. In parallel, it has steadily built its capacity to attract additional earned revenue sources to support future sustainability.

- **DGR status for systems change initiatives**

    DGR status has a significant impact on the ability of intermediaries to secure philanthropic funding. Specifically, an organisation focused on system change, because it acts on the system as a whole, as a way of addressing disadvantage, faces challenges in securing DGR status. TFP has

been unable to obtain significant philanthropic funding apart from PRF due to a lack DGR status (despite funders expressing interest in supporting TFP).

- **Philanthropic funding is a key part of the model**

  TFP believes that philanthropy will always be a significant part of its funding model, due to the nature of its work and the need for independence. Philanthropy allows TFP to invest in innovation and advocate to government effectively. While fee-for-service income will support this, it is not predicted to reach a scale that could cross-subsidise the rest of the organisation.

- **Role of leadership and relevant skills**

  The leadership of the founding CEO has been essential to TFPs success. Her deep connections with the for-purpose sector, experience as a social entrepreneur and pioneering work in creating a model to do systemic work has underpinned the impact created by the organisation and the willingness of philanthropy to back the model. TFP also demonstrated significant flexibility: there was a recognition that the skills to run an intermediary are different to those of an ordinary NFP, especially in a convening role. TFP realised that to be effective as an intermediary, you cannot be the 'heroic expert' in the room, and that specific skills around supporting others were essential – these skills were built by the leadership team to allow them to play that role.

- **Systems change rather than service delivery**

  Thanks to the Schwab Foundation Social Entrepreneurship peer group, TFP came to the conclusion early on in its journey that programmatic service delivery is very hard to scale from an impact perspective. Instead, playing a field catalyst role is more conducive to bringing about sector wide change. The role of a field catalyst is, however, less well understood by funders and perceived as potentially harder to create a sustainable business model for.

- **Independence is essential**

  There are few organisations in the ECEC sector that are independent with no vested interests; they can work with all players in the system and translate learnings to policy positions. TFP can do this partially due to its independence (it is generally not a competitor to other players in the sector as it does not have a large service delivery income stream). Furthermore, it can advocate to government without ulterior motives as it is not reliant on government for its income. The need to have and maintain this independence was the driving force behind TFP moving away from being auspiced by Goodstart.

# 8. Youth Partnership Project

Authors: Hannah Woodward (YPP) and the SVA team, March 2022

## Summary

The Youth Partnership Project (YPP) is focused on minimising the involvement of at-risk young people from the south-east corridor of Perth in the juvenile justice system. It is a place-based backbone, facilitating collaboration across relevant stakeholders to support the delivery of early intervention services to young people.

Developed and tested over seven years using place-based collective impact approaches, the YPP brings together state government agencies, local government and the not-for-profit community sector. It believes that by working together it can improve outcomes for young people with complex needs through better co-ordination, planning and delivery of community services.

The YPP was catalysed with innovation funding from the Western Australian Government with Save the Children Australia (STC) as the auspicing organisation for the initiative. Since then, the YPP has been primarily funded by the Western Australian Government, with financial and in-kind support also provided by STC, some local councils and the YPP's partners and philanthropic support from the Paul Ramsay Foundation.

Since its launch in 2014, the YPP has developed and trialled its Youth Partnership Project Model in two pilot locations, with the second pilot phase currently in progress. It hopes to continue to iterate and scale its model both within Western Australia and across Australia more broadly.

**Current intermediary outline**

**Sector**: Criminal justice

**Intermediary type**: Attributes of a place-based backbone

**Intermediary size**: The YPP backbone team (provided by STC) is approximately 1.8 FTE. Approx $1m annual revenue.

**Charitable status**: Save the Children, as the YPP's auspicing organisation, is ACNC registered with DGR status

**Intermediary structure**: YPP is auspiced by Save the Children

**Year established**: 2014

# Timeline

Figure 1 below outlines the key decision points and milestones in the YPP's life that had significant influence on its funding journey.
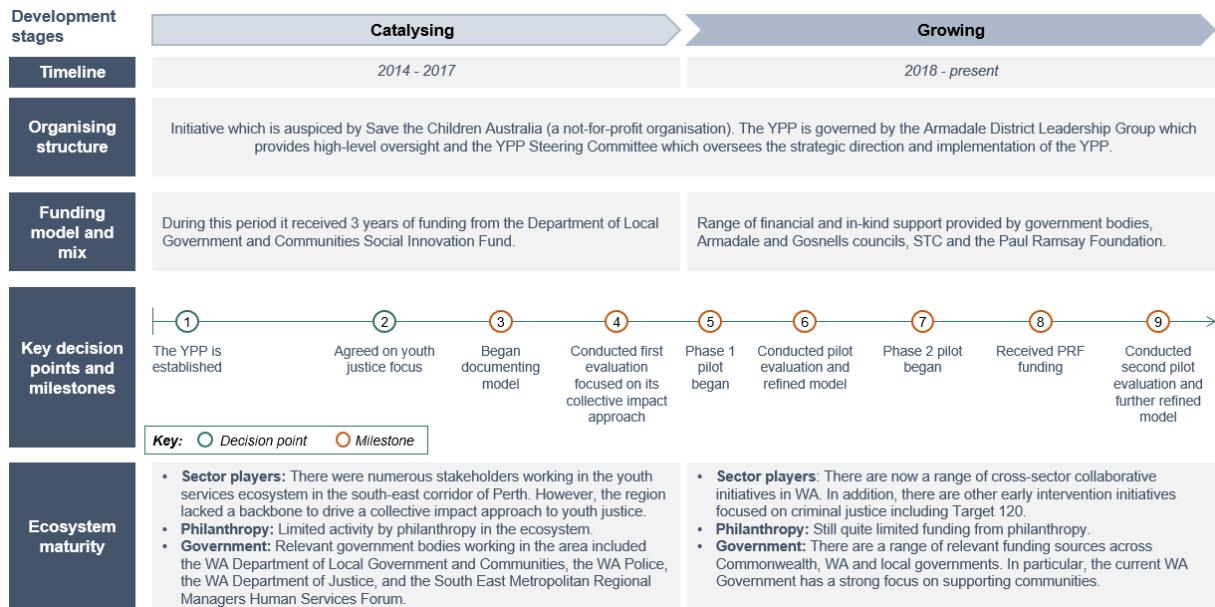


**Figure 9: Timeline of major events in the funding journey of the YPP**

## Target business model

The YPP did not have a planned business model when it received its catalysing funding from the WA Department of Local Government and Communities (DLGC) Social Innovation Fund. The intention was to use this funding to understand what specific issues the YPP might address, the potential role for the YPP and the other partner organisations, and how the YPP might be structured and funded going forward.

Throughout its journey to date the YPP has been funded through a changing mix of funding from WA government bodies, in-kind support from its partners, including the provision of staff and the use of venues, financial and in-kind support from its auspicing organisation STC, and one philanthropic grant from the Paul Ramsay Foundation.

# Current state

## How the YPP operates

The YPP is a place-based collective impact initiative operating in the south-east corridor of Perth, driven by a dedicated backbone team. It facilitates collaboration amongst stakeholders working to prevent young people's engagement in the juvenile justice system, such as schools, local councils, the police, government agencies and non-government community services.

The YPP has conducted pilots to develop a model of early intervention for young people who are at risk of future involvement with the justice system. Its pilots involve the identification of children with complex needs who often have significant behavioural issues and working with them intensely.

Wraparound support is provided with a focus on prevention, including improving school engagement and working with families. This includes clinical assessments as well as understanding what is happening in a child's life and supporting them, including to reengage with school.

This approach was first tested, adapted and implemented during its Phase 1 pilot in the Armadale local government area in 2018–2019, which focused on identifying the right young people and providing support at the right time to enable meaningful change. Its Phase 2 pilot commenced in 2019 in the Gosnells local government area before expanding to Armadale and will continue until June 2022. In these two communities, the YPP generally works with boys aged eight to twelve, who are often Aboriginal.

The YPP is auspiced by STC. STC is a leading global advocate for children's rights. In Australia, it runs a range of programs that support children and families in nearly 200 locations with a focus on education, health, child protection and climate change.[39] To support its work, STC auspices and incubates innovative initiatives, including the YPP, Grow Well Live Well and The Children's Wellbeing Initiative.

In terms of what auspicing means in this context, STC has a small team dedicated to the YPP's work who perform the role of the backbone organisation for the YPP. The backbone team includes a technical team that performs various functions including project management, research, design, data, secretarial support and monitoring and evaluation. The YPP describes its governance primarily being the responsibility of the Armadale District Leadership Group and the YPP Steering Committee.

STC, as auspicing organisation, also provides back-office support such as payroll, IT, human resources and administration. This type of arrangement is often known as 'incubation' although the YPP usually describes the arrangement as STC delivering or leading the 'YPP Backbone Organisation'.

STC has also supported YPP in other ways. YPP has various operational requirements to support young people (such as youth workers), which ideally are already available in the ecosystem for the YPP to use. If not, the operational support is provided by a member of the partnership. From time to time, STC has provided this operational support. In addition, STC has also provided funding to the YPP at various points of its journey, most notably for six months from mid-2019 to early 2020 when there was a gap in external funding.

## What the YPP has achieved

The YPP has driven improved ways of working within the sector including increased collaboration. Its first external evaluation found that the YPP supported local services to work more flexibly, efficiently and in a more client-centred way, with programs directing more appropriate support to the right young people. Furthermore, an internal evaluation of its first pilot found that the YPP was effective in identifying at-risk young people early, developing a collaborative approach amongst stakeholders and addressing complex needs to prevent reoffending. This success is largely due to the YPP having a dedicated backbone to drive collaboration within the ecosystem.

The YPP has ensured that the initiative focuses on the key issues facing young people. It achieved this through engaging young people during its catalysing stage through its consultations and Youth Leadership Roundtable, which included its Speak Out for Change: Youth Voices on Youth Issues Summit.

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[39] Save the Children, *Our Work*, Save the Children website, 2022, accessed 9 August 2022.

The YPP has also undertaken significant research into the issues facing young people in the south-east corridor of Perth. It published its findings in the *Change the Story Report*, which identifies challenges, opportunities, trends and recommendations for the different local government areas in the south-east corridor of Perth to support at-risk young people.[40] The report has supported stakeholder engagement by clearly outlining the issues facing young people and the YPP's approach to driving change. As part of its work on the report, the YPP collaborated with government departments and service providers to identify the key issues facing young people in the south-east corridor of Perth, the services available to them and the system circuit breakers and gaps in service delivery.

As part of its work to drive greater collaboration and coordination within the sector, the YPP developed the Youth Partnership Project Model. It was co-designed with the sector and with vulnerable young people to support them in their daily lives. An important achievement as part of the development of the model was the creation of a cross-sector definition of young people with complex needs.[41] Previously, there was no consistent definition across government departments to identify at-risk young people. This definition supports the early identification of at-risk young people so that support can be provided and gives government departments a clearer mandate to work with these young people. It has shared the model with the sector and is considering how to scale parts of the model to other communities with high levels of youth offending both within Western Australia and across other parts of Australia.

It is currently undertaking its third evaluation, funded by the Paul Ramsay Foundation, which will provide greater insight into its impact, with a focus on the effectiveness of its practice framework.

# The origins of the YPP

The YPP emerged from the South East Metropolitan Human Services Regional Managers Forum (SEMHSRMF). This was a government initiative, which brought together regional decision-makers, largely from various government departments, to identify priorities for the south-east corridor of Perth. One of the key issues identified was the large number of at-risk youths, with many of these young people from the Armadale area. The forum established the South East Metropolitan Youth Working Group to concentrate on youth issues. The working group decided that it wanted to utilise collective impact, drawing inspiration from Logan Together in Brisbane.

STC received funding of almost $500,000 over two years from the DLGC Social Innovation Fund to support a backbone function for the project, which allowed for the formation of the YPP. The YPP then attained a 15-month extension for approximately an additional $100k. Based on the knowledge of current staff, the extension was likely granted due to the YPP's early achievements in convening the sector and its promising early outcomes.

## Catalysing

2014–2017

### Organisational model and key decisions

The YPP was formed in 2014 with the South East Metropolitan Youth Working Group becoming the YPP Executive Committee.

STC was, and continues to be, the auspicing organisation for the YPP. The YPP received various types of support from STC as highlighted above. STC chose to auspice the YPP due to its strategic

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[40] Save the Children, *Change the Story Report*, Save the Children, n.d., accessed 9 August 2022.

[41] Youth Partnership Project, *Youth Partnership Project*, Youth Partnership Project, 2020, accessed 22 August 2022.

alignment with STC's aspiration to be Australia's leading children's rights organisation across service delivery and advocacy, and its strong connection to the local community through many years delivering youth programs. STC saw the value in the YPP as a mini centre of excellence on place-based and collective impact approaches.

Following its establishment, the YPP concentrated on building its foundations, including developing its collaboration model and exploring what opportunities it wanted to support. Its aspiration was for the project to be youth-led, so it engaged young people with diverse lived experiences, through summits and a Youth Leadership Roundtable to understand the issues that affected them. The YPP published a report summarising youth perspectives from The Speak out for Change: Youth Voices on Youth Issues Summit, which it held during National Youth Week in 2015. It also established its three Collaborative Action Networks: one in Armadale, one between Gosnells and Canning, and one for three northern local government areas. The role of these networks was to bring together the youth services ecosystem to identify the key challenges facing the sector.

Due to funding constraints, the YPP narrowed its focus in 2016 from a general focus on young people back to its original focus on youth justice. It chose to concentrate on youth justice due to the high rates of youth crime and juvenile detention by young people from the south-east corridor of Perth. It discontinued the Youth Leadership Roundtable due to funding limitations, and also stopped providing backbone support to the Collaborative Action Networks. In 2017, it co-designed the initial version of the Youth Partnership Project Model ('YPP Model') with young people with lived experience of the youth justice system and local service providers.[42]

## Funding need, sources and success factors

The catalysing grant from the DLGC Social Innovation Fund was valued at almost $500k for two years, followed by a 15-month extension of an additional $100k. While the grant did not have strict constraints regarding how the funding was to be used, it did have some requirements. These requirements included establishing the roots of a successful collective impact initiative, including setting up a backbone team for the project and developing a shared measurement framework to ensure that outcomes could be measured.

## Role of the ecosystem

The YPP operates within the youth services ecosystem, which is comprised of services that support children, young people and families. There were many organisations working in this ecosystem in the south-east corridor of Perth at the time that the YPP was catalysed. This included government departments, local councils, schools, the police, community organisations, and a large number of service providers (such as providers of youth diversion programs).

There was already some on the ground collaboration between service providers in areas, such as Armadale to reduce service duplication. But prior to the formation of the YPP, the ecosystem lacked an early intervention focus, or place-based approach to divert at-risk young people from the juvenile justice system and, importantly, a body to coordinate efforts. The ecosystem was largely receptive to the formation of the YPP, and largely came together as a collective voice to support the YPP.

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[42] Youth Partnership Project, *Youth Partnership Project*.

# Growth

2018–present

## Organisational model and key decisions

This period involved the roll out of two pilot phases. The YPP's Phase 1 pilot ran in Armadale in 2018–2019. It was known locally as the Armadale Youth Intervention Partnership. Armadale was chosen as the site for the Phase 1 pilot due to being a high-need area and as the preconditions for collaboration were already well established with local organisations already working together.

Its Phase 2 pilot began in Gosnells in 2019. The pilot then expanded to include Armadale, allowing the YPP to continue working in the same area of the Phase 1 pilot. The Phase 2 pilot will continue running until June 2022. Each pilot has had approximately 15–20 children participate.

The auspicing relationship between the YPP and STC has remained in place during this period. Auspicing continues to provide benefits for both parties. The YPP has leveraged STC's position as a large, leading non-government organisation with a strong reputation, and deep networks and relationships. For example, the YPP has been able to quickly access government ministers when needed, through STC's established relationships. In addition, the YPP perceived that STC's local reputation helped to increase the likelihood of families engaging in the pilots. Furthermore, the YPP has supported other STC youth justice work, including recent work on the Raise the Age campaign.

Despite clear benefits, the auspicing arrangement does involve balancing tensions for both YPP and STC. STC provides operational support to the YPP from time to time as needed. Ideally this support would already exist in the ecosystem or would be provided by another member of the initiative. This has had the unintended consequence of reducing buy-in and contribution from some of the YPP's partners, as it can have the effect of signalling that the YPP is an STC initiative rather than a true collaborative initiative. Further, it has sometimes been difficult for the STC's YPP staff, who wear two 'hats', to engage sufficiently in the YPP work as well as broader STC work. Another limitation of the auspicing arrangement is that there have been instances where the YPP has been unable to apply for government and philanthropic grants that it was interested in, where the grant only permitted one application per organisation and another STC initiative had already applied.

## Funding need, sources and success factors

The YPP has secured government funding from a range of sources over this period, primarily comprised of short-term grants. Its major government funder has been the WA Department of Communities, which has continually provided backbone funding for the project. The WA Police provided operational funding for the Phase 1 pilot while the WA Department of Justice provided operational funding for the Phase 2 pilot (which was supplemented by additional funding from the Paul Ramsay Foundation). YPP also received government funding from the WA Department of Local Government, Sport and Cultural Industries.

While the YPP has received significant funding support from government, it has also experienced some challenges. Firstly, the YPP's work is beyond the clear mandate of any one government department or agency, which has meant that it has had to find funding from different sources rather than having one steady source of government funding to rely on. Secondly, the funding for the YPP backbone team and the operational funding to deliver its pilots is provided separately. Ideally, the YPP would like this funding to be combined for ease of management and greater certainty. Thirdly, it has received less support from local governments than desired to support the rollout of pilots. Finally, the YPP has observed that there is more government appetite to fund new innovations and pilots, rather

than providing existing initiatives with ongoing sustainable funding for, for example, operational needs and capability building.

The YPP has also received various financial and in-kind support during this period. This includes financial and in-kind support from the City of Gosnells; financial support from the City of Armadale; a coordinator from the City of Armadale; a teacher, classroom and deputy principal from the WA Department of Education; a family support worker from the WA Department of Communities.

The YPP also received a $1.5 million grant in May 2020 from the Paul Ramsay Foundation, which initially was due to last for one year, before being extended until June 2022. The YPP's work aligns with PRF's strategic priority of reducing youth incarceration, particularly for Indigenous young people. The funding provided resourcing for a further pilot of the YPP early intervention service to inform future scale and replication. This included service delivery for up to 20 at-risk children and young people, alongside an external review of the intervention design and practice framework, implementation science support, and practice and impact evaluations. Fortunately, this funding was secured during a gap in other operational funding for the YPP. Without this funding, the YPP would have had to operate a much smaller Phase 2 pilot, with reduced quality of support and likely only one year of implementation. This is the only philanthropic funding that the YPP has received throughout its journey. Besides the Paul Ramsay Foundation, the only other major funder who supports organisations in the ecosystem is the Minderoo Foundation.

STC, as the auspicing organisation, also played a role in funding during this period. There was a six-month gap from mid-2019 to early 2020 where the YPP had no funding from government and other funding arrangements needed to be quickly secured. During this time, STC covered the backbone funding, which was later backfilled by funding from the WA Department of Communities. The YPP's view is that if STC had not provided this interim support, the YPP would have had to cease or drastically reduce operations as a backbone organisation.

## Role of the ecosystem

There have been government funding opportunities, from various Commonwealth and WA Government departments as well as WA local governments, available for the youth services ecosystem during this phase of the YPP's journey. This availability of funding has been influenced by various policy changes, including changes to the definition of youth in service contracts to cover younger children (previously contracts were focused on children aged 12 and over). This change means there is more potential funding sources for programs, such as the YPP that works with younger children (noting that YPP has not been eligible for this funding to date).

The change of government, which resulted from the 2017 WA state election, resulted in significant machinery of government changes. The YPP's work aligned closely with the newly established WA Department of Communities, and the YPP continued to attract government funding due to the new government's focus and provision of funding for cross-sector collaborations, a move towards early intervention initiatives and place-based approaches.

A significant change to the ecosystem during this period has been the rise of cross-sector collaboration work across Western Australia, which has been largely driven by the WA Government with significant input from the community sector. This includes the convening of stakeholders from across the social sector and various parts of government to work together on complex social problems. This has led to an increased number of collaborative initiatives, some of which are focused on reducing youth involvement in the criminal justice system.

The most pertinent example is the establishment of the government-run Target 120 program, which has a site in Armadale, and is focused on providing early intervention support to young people who

are likely to become repeat offenders.[43] And while YPP considers that Target 120 has been influenced and informed by the YPP's work, given that Target 120 is government-funded, its presence makes it difficult for similar initiatives, such as the YPP to attain government funding. It also appears to have reduced the amount of time that the sector can devote to the YPP, as many of the same stakeholders are involved in both initiatives.

# Conclusion and learnings

The YPP has largely relied on government funding (as well as in-kind support) to sustain its work over its first seven years of operation. This is largely due to the strong alignment between its work and the policies and priorities of WA state governments, particularly the current government. Its auspicing relationship with STC has offered additional support when external funding is lacking to ensure continuation of its work.

- **Flexible funding in the catalysing stage allows an intermediary to extensively explore an issue area and the wider ecosystem**

  The YPP benefited from having three years of relatively flexible funding from the WA Department of Local Government and Communities. This enabled it to establish the governance for its collaboration model, build relationships and evolve its role within the ecosystem and undertake significant work, including the *Change the Story Report* and development of the Youth Partnership Project Model, prior to its Phase 1 pilot. These investments have been critical to the YPP's success.

- **Government can play a key role in catalysing and supporting intermediaries that align with their priorities, however changes in the ecosystem can affect this provision of government support**

  The YPP received three years of catalytic funding from the WA Department of Local Government and Communities and has received backbone funding from the WA Department of Communities since 2017, while other government bodies (WA Police and WA Department of Justice) have also funded operational elements of the program. The YPP's ability to attract this funding is largely due its ongoing alignment with government priorities. However, despite this ongoing alignment there is uncertainty of the extent to which the YPP can attain funding from the WA Government in future due to changes in the ecosystem, namely the rise of similar initiatives including the government-run Target 120.

- **Save the Children has played a critical role as the YPP's auspicing organisation**

  The YPP has benefited from STC's reputation and networks, while also receiving technical and operational support for elements of its work. Furthermore, STC played a critical role in providing funding during a period where external funding was not able to be secured. A key part of this success is a clear strategic alignment between the YPP and STC's work, and an organisational appetite and experience in auspicing various initiatives. Despite these benefits, there are ongoing challenges with the auspicing arrangement, which require careful management, including managing the perception of partner organisations that their funding and in-kind support may not be required.

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[43] Government of Western Australia, *Target 120 to help turn young lives around in Albany*, Government of Western Australia website, 28 February 2020, accessed 10 August 2022.

**Authors' note:**

*As at 30 June 2022, the YPP has been unable to secure ongoing funding and has ceased its activities. While the YPP will continue to pursue further funding opportunities for the project, the wind down of operations has resulted in significant loss of project knowledge due to staff movement, and has impacted the local momentum and enthusiasm for collaboration between partner organisations.*