



Submission on

Impact on service quality, efficiency and sustainability of recent Commonwealth community service tendering processes by the Department of Social Services

April 2015

About ACTCOSS

ACTCOSS acknowledges Canberra has been built on the land of the Ngunnawal people. We pay respects to their Elders and recognise the strength and resilience of Aboriginal and Torres Strait Islander peoples. We celebrate Aboriginal and Torres Strait Islander cultures and ongoing contribution to the ACT community.

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations, people living with disadvantage and low-income citizens of the Territory.

ACTCOSS is a member of the nationwide COSS network, made up of each of the state and territory Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS' vision is to live in a fair and equitable community that respects and values diversity and actively encourages collaborations that promote justice, equity and social inclusion.

The membership of the Council includes the majority of community based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS receives funding from the ACT Government - Community Services Directorate.

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Introduction

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations, people living with disadvantage and low-income citizens of the Territory. ACTCOSS is a member of the nationwide COSS network, made up of each of the state and territory Councils and the national body, the Australian Council of Social Service (ACOSS).

ACOSS and the COSS Network have repeatedly raised concerns about the recent DSS tender process highlighting the inappropriate approach to the market; the damaging effects of the overall decrease in funding that has occurred; the lack of transition planning in the original staging of contract offers; and the limited timeframes to negotiate the terms of contracts for organisations that were advised they were preferred providers but received less money than they tendered for. More broadly we are concerned that this tender process suggests that the Department has no real vision for the future of the community not-for-profit sector.

We endorse the submission that ACOSS has provided as part of the inquiry and fully endorse their recommendations:

To stop the funding cuts, which ACOSS has calculated to amount to a cut of \$1 billion, and many of which are one year in to a four-year plan of implementation. This action is necessary to ensure that critical frontline services that are integral to the community continue.

Determine, in partnership with the community sector, adequate funding levels to meet community need and maximise social and economic participation for all.

Extend current funding for organisations that have not yet been able to finalise new Government funding offers

Adopt the recommendations of the Productivity Commission to improve government contracting with community organisations.

Our submission complements the work of ACOSS and the COSS Network and has engaged the local ACT sector to respond to some of the specific terms of reference highlighted in the inquiry. A primary concern for us in the local context is the lack of information about how the DSS tender process impacted on the shape of the service system in the ACT. We therefore make the following additional recommendations:

The Department must make publicly available the results of a 'gap analysis' of the service system post the tender process. In particular the sector would like to see if there are adequate services operating in areas of high disadvantage.

The Department must provide individualised, in person, feedback on tender outcomes to all organisations that request it.

An outcome of this process has been to undermine confidence and to place restrictions on the free exchange of information across services.

This is not conducive to good practice. The Department must find ways to create spaces in which information sharing can be encouraged and collaboration can begin to be developed – across the sector, between jurisdictions, with other funding bodies and with the Department.

Future tender processes must be done differently. There must be adequate and sustained consultation with the sector in any redesign of program streams as this has an impact on the service system overall. There must also be some level of consultation with other funding bodies as the impacts of reform are larger than specific funding programs.

It is not known if the total amount of money offered to organisations by the Department amounts to the amount that had been indicated as available upon release of the program guidelines. This information should be made public.

Response to Terms of Reference

We have provided detailed responses to items a, i, b, k, l and o of the Terms of Reference. They appear below. We also make recommendations drawn from the work of ACOSS and the COSS network and our consultations with our ACT members.

a. the extent of consultation with service providers concerning the size, scope and nature of services tendered, determination of outcomes and other elements of service and contract design;

To the best of our knowledge, there was no genuine consultation with service providers regarding the size, scope and nature of services tendered, determination of outcomes or other elements of service and contract design. To the best of our knowledge, it is also the case that other jurisdictions and other funding bodies were not consulted in the process despite the fact that this redesign has an impact on services beyond the Commonwealth funding stream.

ACTCOSS Members report they had difficulty accessing reliable and individualised information regarding the tender process at each stage of the tender process: in the redesign of the program streams into the new 'Honeycomb' model; in the release of information on which organisations had and had not been successful in the tender process and in understanding what the service system looks like post the tender process.

Indeed, there is still a lack of available information on the outcome of the tender process across the sector. As the peak body of community service providers of government-funded human and social services in the ACT we have not been able to ascertain an accurate picture of what the service system looks like in the ACT post this recent tender round.

In December 2014 we contacted the Department by email to seek information on the tender process as letters were starting to be delivered to organisations advising them of the outcomes of the tender. We received a follow up phone call in January 2015 at which time we were told that they had no further information that they could provide us. We asked the staff member from the Department if they could indicate when they would be able to provide us more information. They told us that they did not know. We asked if they knew how they would communicate that information once it was available. We were told that they did not know what communication strategies would be used once the information was available. To date, we have not had detailed, specific information about the impacts in the ACT service system as a result of the DSS grants process.

There was limited opportunity for the sector to engage with or provide feedback to government on the redesign of the program system and the subsequent tender process. There was a public information session held in the ACT to inform the sector of the tender process and the streamlining of the existing program streams into the new 'Honeycomb' model. There was no opportunity for the sector to be consulted or to inform the redesign of program streams.

Members report that the design of the program streams subsequently shows a lack of understanding of the service system.

One example is the Families and Children sub-stream of the Families and Communities Program. There is a focus on education in this sub-stream but the focus is on working with families in simple or one-off ways that raise educational issues rather than working towards families being able to demonstrate that they are confident implementing practices that contribute to better educational outcomes themselves. However the implementation stage is important for the sustainability of these approaches to improving educational outcomes. This example shows that the program model has been established without consultation with the sector and, consequently, is in some instances ill-conceived.

One practical consequence of the lack of consultation with the sector in the redesign of the program model is that some existing programs did not in any apparent way 'fit' into the new model that the government released six weeks prior to the tender applications being due. This meant that services had a mere six weeks to reconceptualise themselves and renegotiate their partnership arrangements or miss out on the opportunity to apply to the tender process for renewed funding.

We are aware of at least one service, the National Information Centre for Retirement Investment (NICRI) that was impacted by this oversight. The NICRI is a national service that is Canberra-based to whom local providers of financial counselling services and advice to aged and elderly people frequently refer clients. The NICRI provides expert advice to people who are in pre-retirement planning about the impacts of payments affecting their pension, or who may be planning their move into aged care facilities and are seeking information about their entitlements and obligations. This service is no longer funded under the DSS program.

The lack of engagement in the pre-tender period created massive anxiety for organisations who did not feel that they had an understanding of what the Department was looking for or the criteria that would be used to evaluate tender applications.

Organisations were given six weeks' notice to develop their applications which is standard. However, given the significant conceptual work that was required by the release of the new streamlined program model, this standard time frame was not adequate. Also significant is that the deadline for the tender applications coincided with the deadline for financial reporting requirements. This issue of timing created a significant burden on organisations. Given it then took five months to advise applicants on the result of their application it was also seemingly unnecessary.

On the day that applications were due the online application system crashed. Some organisations were not able to access the system. As a consequence of this major system failure all organisations were given a 24 hour extension on their applications. This failure of the IT system, alongside the assessment of applications taking twice as long as the Department made provision for,

demonstrated the complete lack of understanding of the magnitude of the tender exercise.

There was no online support for organisations that had questions or difficulties in completing their online application. There was a telephone helpline but the helpline transferred callers to a message bank and a recorded message that advised that the message bank was full and gave no option to leave a message.

Some organisations that put in their proposal before the tender due date did receive confirmation that their application was received. However, other organisations were not able to receive confirmation that their application was received. Some organisations report to us that it took weeks of unsuccessfully following up with the Department before they had confirmation that their applications had been received.

Additionally, ACTCOSS members report that there was information that was regularly released to them by government but that the information was not helpful. It was released as online updates and it was generic, scripted, and there was no mechanism for organisations to seek responses to questions of clarification.

There was no opportunity for individualised information at any stage of the tender application process.

While the sector was only given 6 weeks to submit their tender applications, the Department took an extraordinary amount of time to release the outcomes of the tender process. Initially the Department had indicated that they would advise the outcome of the tender process in September 2014. This deadline was not met. Peak bodies, including ACOSS and the COSS Network repeatedly raised sector concerns about the release of information on the outcomes of the tender process. While applications were due in July 2014, applicants were not made aware of outcomes until five months later on December 23, 2014.

This date, December 23, was inappropriate for the release of information on the outcomes of the tender process. This was one day before the Christmas/New Year shut down period for the Department, during which time staff would not be available to respond to questions. It created significant anxiety for organisations in the sector – those who were informed that they had lost money were particularly affected – but it also created anxiety for those who had not yet been notified of an outcome. For organisations advised they were not receiving funding, it did not provide adequate time for them to meet their employer obligations regarding a notification period for staff redundancies which is three months.

When organisations did start to receive advice from the Department about the outcome of the tender process there were no names of Department staff provided on correspondence which limited the ability of organisations to follow up the correspondence and raise any questions with the Department.

These letters also required that 'preferred providers' comply with confidentiality requirements and not advise other organisations that they were preferred providers until contract details had been confirmed. ACOSS and the COSS

Network undertook significant work highlighting the adverse impacts of this requirement. In particular, that there was no capacity to establish proper transition arrangements from organisations that had lost funding to organisations that had been awarded funding to prevent clients from being turned away from services that were winding up.

Subsequent advocacy has led to some additional funding to cover a 'transition period' in the sector; a highly welcome development. However, in many instances it is still unclear who the preferred providers are, where there have been funding cuts in the ACT, and what services will exist in the immediate future.

Furthermore, some organisations that received notice that they were preferred providers were provided no detail in the December 2014 letter outlining what funding they had been awarded. Organisations were told that they would receive more information in a second letter to be posted in January 2015. However, when this arrived there was still no information about why they had received less funding than what they had applied for.

It is of significant concern to ACTCOSS that some organisations that sought clarification on the terms of the service agreement were not given this prior to the deadline for signing their service agreement. This practice is not one that the COSS Network endorses and we are greatly concerned that information has been so difficult to obtain, and communication from the Department so poor. ACTCOSS have been requesting transitional funding for those organisations negotiating contracts and an extension of the timeframe to finalise those contracts. However we are aware that this work did not resolve the issue for all organisations and at least one organisation did sign their agreement without having all of their questions answered, because of an inability to gain clear and timely information from the Department prior to the deadline for accepting the funding offer.

Some successful organisations received contradictory advice from the Department regarding financial acquittals and roll-over of unspent funds where they had been successful in their tender proposals. This proved a highly confusing process for these organisations. It also remains unclear why organisations that had succeeded in receiving ongoing funding for programs that they were already running should not be given the opportunity to roll-over surpluses into the new programs when it was anticipated that the messy tender process would likely create delays in release of funding for the start-up of new programs.

There was no opportunity for individualised feedback on the tender outcomes. Some of the questions that unsuccessful tenderers have are quite fundamental to improving their applications in future and to making the evaluation process transparent:

- Was enough evidence provided, or were the evaluators looking for different 'evidence' in the areas that asked us to explain why the service was required e.g. mental health interventions?
- Did our application indicate that we proposed to offer services that were too broad (even though they would meet program guidelines),

and were the evaluators looking for less, more focussed services within programs with a large budget?

- How did the evaluators determine if a proposed program was sufficiently 'innovative' or creative?
- Were the referees we provided considered not to have sufficient expertise in the program or its required deliverables?

One organisation reports that it has been advised that it will receive individualised feedback on its unsuccessful tender 12 weeks from Friday 13 February i.e. the week beginning Monday 11 May. This is a long wait for an organisation that is keen to pursue other funding opportunities to try and fund its programs.

b. the effect of the tendering timeframe and lack of notice on service collaboration, consortia and the opportunity for innovative service design and delivery;

The guidelines that the government released as part of the briefing on the tender process might have prompted people to work in new and more collaborative ways. But there was no instruction on what basis the collaborative approach would be assessed. The funding guidelines made it unclear as to what the Department was looking for in collaboration and this also undermined the capacity for development of collaborations, consortia and innovative service design and delivery. Furthermore, the six-week deadline given on tender applications, which coincided with financial reporting deadlines, did not enable organisations to put adequate time and effort into developing effective and meaningful partnerships.

The timeframes in which people were notified that they had been selected as preferred providers but not awarded all that they had applied for also negatively impacted their ability to be innovative in service design and delivery. Preferred providers put in this situation did not have adequate time to revise and reconceptualise their program proposals in truly innovative ways. Further, people were not provided any individualised feedback on why their application was only partly successful and this made it impossible to know if parts of their original proposal were being picked up by other organisations. Organisations therefore did not know the components and capacity of the service system within which they were revising their programs.

The major changes to the design and funding of programs that were at the core of this tender process required significant conceptual work and practical work. To enable the sector to properly undertake that work the timeframe should have been a 12 month period of staged consultation, information and then tender development, not a mere few weeks to put together a tender application.

An outcome of the DSS tender is that it has increased levels of anxiety in the sector. Instruction to comply with confidentiality requirements and the general lack of feedback has made people fearful of speaking publicly lest program contracts that they have been offered, but are not yet signed, are cancelled.

One member informed us that this was the first time in their long career in the sector when they had hesitated and felt fearful about putting their name to a public ACTCOSS letter on the DSS tender issue because their contract was not yet signed.

Another issue that impacted on the capacity for innovative service delivery but does not relate to timeframes is the way in which proposals were evaluated. While organisations saw an opportunity to think creatively and develop program designs for wrap-around services that crossed program boundaries, the evaluation process only looked at tender proposals in the context of individual program boundaries. For example, a proposal for a program that provided services across 'financial crisis and material aid' and 'financial counselling, capability and resilience' – two different program sub-streams – was not evaluated holistically. Instead there was an evaluation of the part of the proposal that fit into the emergency relief program sub-stream and a separate evaluation of the part of the proposal that fit into the financial counselling, capability and resilience program sub-stream. In the end, only part of the program was successful in receiving funding.

This approach to the evaluation hampered innovation and reinforced a 'siloed' approach to program design and service delivery – in direct contradiction of the aims of the funding round. It also impacted on the organisation's capacity to deliver the program as the splitting of the proposed program in this way meant that what was ultimately funded was only half of what was costed in the original proposal.

Our members advise us that the impact of timeframes is not just on innovation and improvement in service delivery – they will have a real impact on service delivery at the most basic level. The short timeframes that successful organisations have been given to initiate new programs make it difficult to have services staffed and launched in time. Meanwhile services that have lost money but had some bridging 'transition' funding may have difficulty retaining staff who will need to look for more secure work.

What this means for the sector is uncertainty and insecurity. This not only undermines effective working relationships but translates directly into the experience of service users for whom there is no certainty regarding access to and engagement with a service in the next three months. The Communities for Children program, for example, which provides case management and family support to eligible families with children aged 0 to 8 years still has no transition plan in the ACT.

i. the potential and likely impacts on service users concerning service delivery, continuity, quality and reliability;

The tender process will mean losses of critical frontline services in the ACT for families in high level risk and requiring emergency or urgent response. A program providing support and enabling reunification where children are at risk of being put into the foster care system because of alcohol or drug issues within the family has been defunded. This program has been servicing families in the ACT and the southern half of New South Wales. The loss of this program

means that families who would have accessed it and remained unified will now be split up. Children will be put into the foster care system when this could have been avoided.

This program has been funded by the Commonwealth since 1989, prior to the ACT achieving self-government. It has always performed well and its annual reports were accepted without question. The program manager has not received any individualised feedback as to why this program has been defunded. There is no clarity around what will replace it. However, it is known that there is no service in the ACT or the southern half of New South Wales region that could replace this service because the service requires a residential rehabilitation facility and none exist in the ACT or the southern half of New South Wales. The progressive cutting back of services over the years has led to a situation where there are no services to which to transfer families once this program is lost in June 2015.

The example of this program also highlights the importance of service delivery in a cross-border region. The Commonwealth has a clear role in ensuring such programs are available to service users in both regions.

More generally, the lack of adequate communication from the Department regarding tender outcomes has had negative impacts in terms of transitioning service users from services that have lost funding to new providers. There has been no capacity to effectively transition service users because there is no reliable information about which services have been funded and which have been unsuccessful in their applications. ACROSS and the COSS Network have documented the impact of this in their public releases on this matter. As was noted above, the Communities for Children program which provided case management and family support for eligible families with children between the ages of 0 and 8, for example, still has no transition plan in the ACT. It seems it will simply no longer exist.

The lack of reliable information is deeply problematic. A member of an organisation that was unsuccessful in their application requested information from the Department as to whether there was going to be any funding for that service being delivered to the region in which their organisation operates. They were told that they could not be advised on this matter. If organisations do not know what the service system looks like in their region they cannot refer people to services and cannot provide reliable information to people looking to access services.

Home Base, which was an innovative pilot partnership program between the Belconnen Community Service and Centrelink and provided support to people in receipt of Commonwealth Rent Assistance to maintain their private rental market tenancies was not awarded further funding and will cease. While there will still be funding for a similar program which works with public housing tenants, there will be no such service for people on low incomes in the private rental market. The ACT has the second highest rate of homelessness in Australia (Tanton, Vidyattama, and Mohanty 2013: 12) and rental prices are higher in the ACT than Sydney and Melbourne (Tanton, Vidyattama, and Mohanty 2013: 10). Sustaining private rental tenancies is critical to the

wellbeing of tenants and to reducing demand for homelessness services by people who might otherwise not experience crisis.

What is more, the unclear and uncoordinated transition process puts additional pressure on existing services. In the ACT where we are currently undergoing a full roll out of the National Disability Insurance Scheme many services are already strained and reporting a lack of capacity to meet current need in the community.

k. the information provided to tenderers about how decisions are made, feedback mechanisms for unsuccessful tender applicants, and the participation of independent experts in tender review processes to ensure fairness and transparency;

There was no individualised feedback provided to tenderers who were unsuccessful or who were only awarded part of the proposal that they submitted. One of our members reports that they requested feedback on an unsuccessful tender three times and were only ever redirected to the Department website which included only generic information.

Our members are not aware of the use of 'independent service experts' in evaluating tender applications. We are only aware of the use of independent financial experts evaluating costings as part of the tender process. Indeed our member experience suggests that the decision making process has been arbitrary and they report concern that the work of the sector to develop programs from a strong evidence base has been undermined and lost. This feedback comes from organisations that were unsuccessful as well as those that were successful but only had part of their proposal funded with no explanation or individualised feedback as to why they received less than what they asked for.

Decisions made by the Department in some instances appear to have been reactionary rather than following an evidence base. While some decisions that have been made in this way, for example the provision of transition funding, are welcome in and of themselves, the process for making these decisions still erodes confidence that the Department is effectively consulting with the sector and being driven by evidence. If the Department had consulted with the sector transition arrangements would have been part of the original process. The process that was followed has created a level of cynicism in the sector which is not conducive to collaboration or to best practice.

Due to the lack of individualised feedback provided, the decision making process cannot be described as transparent.

One of the most concerning incidents relayed to us is of a service that had lost funding and that was folding. It was told that it would be advised of the process via a teleconference to be held on the day that the program was to cease. Twenty minutes into the teleconference it became apparent that the Department had given the wrong pin number and the organisation was part of a teleconference on a different program. When they brought this to the attention of the Department staff member who was facilitating the teleconference they

were told that it did not matter as the information on the close down process was similar for their own program. This is not appropriate or respectful practice.

It is also unclear what population level data the Commonwealth may or may not have consulted in determining need in the Australian community. This is a concern for the ACT. It is well known that the ABS data source widely utilised in such decision making, the Socio-Economic Index for Areas (SEIFA) is an inaccurate account of the level and the degree of disadvantage in the ACT (ACT Government 2012).

I. the impact on advocacy services across the sector

The tender process has seen cuts to peak representative, policy and advocacy services at the national level. These cuts are consistent with established trends to defund national peaks and to not fund policy work where it is being carried out within service delivery organisations. Cuts at the national level have an impact on local services. They impact on the sector's capacity to develop awareness campaigns within area specialisations, on systemic service improvement, on education, and policy advocacy.

The loss of specialist peaks, such as has historically happened in the drug and alcohol sector, and in the homelessness and disability areas more recently, are of particular concern as they are integral to ensuring the dissemination of information on specialist matters. Without specialist peak bodies there is no way to disseminate information in a systematic way to specialist sectors or deliver information up to government to inform government policy makers on emerging service gaps and areas of community need.

What is more, this tender process has undermined confidence to engage in advocacy activity even where it has not been defunded. As noted earlier, one of our members has informed us that for the first time in their long career in the sector they hesitated and felt fearful about putting their name to a public ACTCOSS letter on the DSS tender issue because their contract was not yet signed.

It is concerning that there does not seem to be an understanding of the importance of advocacy work and of peak bodies – both in terms of sector development and policy work – to an effective sector and to ensuring the best possible service to users. The advocacy work of peak bodies representing the community not-for-profit sector is broadly comparable to the work of business councils and industry bodies yet their capacity is being eroded by funding cuts.

o. any other related matters

- The tender process required tenderers to submit their proposals through an online form. This online form had a very restrictive word count. While it is understood that a word limit is necessary it was felt that the word count provided was inadequate. In particular, programs that were designed to recognise and respond to complexity of service user's needs or situations could not be properly accommodated by the online form with its overly

restricted word count. If tenderers cannot explain how their programs provide innovative services for people with complex needs or experiencing complex situations, then programs cannot be evaluated on their capacity to be innovative.

- As noted above the evaluation process limited capacity for innovation in program design and delivery and reinforced organisational silos. While organisations saw an opportunity to think creatively and develop programs which enabled wrap-around services that crossed program boundaries, the evaluation process only looked at proposals in the context of individual program boundaries. For example, a proposal that detailed a program that provided services across 'financial crisis and material aid' and 'financial counselling, capability and resilience' – two different program sub-streams within the 'Honeycomb' model – was not evaluated holistically. Instead there was an evaluation of the part of the proposal that fit into the financial crisis and material aid sub-stream and a separate evaluation of the part of the proposal that fit into the financial counselling, capability and resilience sub-stream. In the end, only part of the program was successful in receiving funding. This approach to the evaluation then hampered innovation and reinforced a 'siloed' approach to program design and service delivery. It also impacted on the organisations capacity to deliver the program as the splitting of the proposed program in this way meant that what was ultimately funded was only half of what was costed in the original.
- The Department seemed unprepared for the sheer number of applications that were received as part of the tender process. Given the magnitude of the tender process, which put all funding up for re-tender, the Department should have anticipated the level of interest in the tender process and been better prepared for the number of applications. The lack of staff contact, and the lack of information provided to the sector, had a detrimental impact on organisations and program design through all aspects of the tender process.
- The administrative burden and the lack of available resources has meant that at least one organisation chose to return their Commonwealth money for a financial material aid program before the tender process even began. For this organisation it was a 'relief' to no longer have any ties to the Commonwealth.
- The process has created a significant amount of anxiety and uncertainty for the sector. People are unclear about what the service system looks like; how effectively it is addressing known need in the community; and about their relationships with the Department given the lack of individualised communication. The lack of transparency about this process contributes to concerns and anxieties regarding the way tenders are evaluated. There is a concern in the sector that the Department is looking to cost shift to organisations or to evaluate tenders in terms of an organisation's capacity to provide in-kind support. If this is occurring it is considered an inequitable and potentially inefficient way to evaluate tender applications as private philanthropy is under-developed in Australia and only a minority of organisations are able to attract philanthropy or develop

independent funding streams. Likewise only some organisations are able to utilise a large volunteer work force. Further, if there is an expectation of more volunteers providing services this undermines the professionalism of the sector.

Additionally, if this kind of 'cost shifting' is occurring as an *intentional* part of the tender process it also means that the government is effectively outsourcing the delivery of fundamental human and social services. Though the new public management regime which has been in place since the 1990s has led to non-government organisations providing more services that were once provided by the public sector, the government has still *funded* these services. If it is no longer the intention of the government to fund these services this signals a significant and to date, largely unprecedented, policy shift.

- Many of the contracts awarded in this tender round are for two and a half years. This is a significant cause of concern for our members and also contrary to the messages given by former Minister Kevin Andrews who repeatedly signalled that the sector's requests to move to 5 year contracts would be realised.
- There is a disconnect between the message that government has been sending the sector about red tape reduction and the process that government engages. This tender process created significant administrative and reporting burdens for the sector.

Recommendations

The terms of reference of this inquiry do not invite recommendations. However, given that this is an important opportunity for the sector to feedback on the experience and outcomes of the DSS tender process not making recommendations seems a lost opportunity. In consultation with our members and the wider COSS network we make the following recommendations:

The Department must make publicly available the results of a 'gap analysis' of the service system post the tender process. In particular the sector would like to see if there are adequate services operating in areas of high disadvantage.

The Department must provide individualised, in person feedback on tender outcomes to all organisations that request it.

An outcome of this process has been to undermine confidence and to place restrictions on the free exchange of information across services. This is not conducive to good practice. The Department must find ways to create spaces in which information sharing can be encouraged and collaboration can begin to be developed – across the sector and with the Department.

Future tender processes must be done differently. There must be adequate and sustained consultation with the sector in any redesign of program streams as this has an impact on the service system overall. There must also be some level of consultation with other funding bodies as the impacts of reform are larger than specific funding programs.

It is not known if the total amount offered to organisations by the Department amounts to the amount that had been indicated as available upon release of the program guidelines. This information should be made public.

Stop the funding cuts, many of which are one year in to a four-year plan of implementation.

Determine, in partnership with the community sector, adequate funding levels to meet community need and maximise social and economic participation for all.

Extend current funding for organisations that have not yet been able to finalise new Government funding offers.

Adopt the recommendations of the Productivity Commission to improve government contracting with community organisations.

Reference list

ACT Government (2012) 'Detecting Disadvantage in the ACT Report on the comparative analysis of the SEIFI and SEIFA indexes of relative socio-economic disadvantage in the Australian Capital Territory'. Data and Research Unit of ACT Community Services Directorate: Canberra.

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