

Organisation name

Southern Volunteering SA Inc

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

The document below outlines a previous one-page paper we produced which covers some of the questions in this survey.

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THE COMMITTED CONTRACTING CONCEPT

BACKGROUND

A SHORT TERM CONTRACTING APPROACH AND FREQUENT TENDERING GREATLY LIMITS THE CAPACITY TO DEVELOP AND SUSTAIN EFFECTIVE LONG TERM STRATEGIES AND SOLUTIONS TO ONGOING SOCIAL PROBLEMS (such as Homelessness, Drug & Alcohol Misuse, Mental Health).

PROPOSAL

COMMITTED CONTRACTING for the long term 5+5 years will:

Be a costless (ie no cost or less cost) constructive solution

Provide more value for money

Capitalise on the joint contribution of

all Service Providers, Business, Government and the Community

THE SEQUENTIAL AND LOGICAL PROCESS

Consult and conduct program review of the specific sector

Clarify program purpose and long term vision

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Commit to long term contracting of 5+5 years minimum

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Tender out services where required

OR Continue to fund effective contracted services

Communicate about the service system (which includes all other similar contracted services) when contracted so that key stakeholders understand it

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This will lead to:

Improved recruitment and retention of skilled staff

More stable and higher quality services

More Creative solutions

Improved long term sustainable cooperation, coordination and collaboration between Service Providers, Government, Business, and the Community

Enhances conflict resolution

Counteracts competition between services

Service Providers are confident to invest long term

The community sector is strengthened, building infrastructure and higher capacity and capability

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Higher quality and more enduring client outcomes which resolve long term issues

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LONG TERM RESULT

Endurable effective service systems in place

to reduce social problems in the long term

2.1 What would adequate and flexible funding look like?

Funding formula need to be worked out by funding bodies that reflect the true cost of delivering services.

In the 1990's I worked in a team which developing accurate funding formulae for homelessness services in South Australia which preceded the introduction of the CASH Award.

The exact cost of qualified staff as defined under awards, including penalty rates for after hours services or 24/7 services.

The 24/7 supported accommodation services with 2 staff on at all times cost over \$1m which shocked everyone. Once the calculations were presented they were fully accepted.

This is a far better and accurate method for funding rather than having an approximate guess and provide block funding or providing minimum funding that Govt can get away with.

I've been involved in not applying for funding when the amount of funding only allowed for Certificate I qualifications for supported accommodation services for people with disabilities where at Certificate III was required in terms of skills.

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

CSO's for years have to comply with an array quality assurance and reporting requirements which consume a lot of time.

The IT tendering and reporting documents which are used are often appalling and take inordinate amounts of time to fill in.

This incurs management and administration costs which now takes 20%+ of funding. Funding bodies tend to view management / administration fees as excessive, but their admin and reporting requirements drive this.

The tendering documents used by the Commonwealth Government are absolutely shameful - we cannot understand why word documents are used from the 1990's which cannot do bold, italics, dot points, colour, let alone any diagrams to communicate concepts in submissions.

Complaints have been made for years and absolutely nothing happens.

Not only are tender documents incredibly difficult to fill in, resulting in such screeds of words, we now from feedback for Govt staff that they are very difficult to assess.

Tender documents also have a restricted number of words where it is impossible to answer complicated questions with sufficient detail. CSOs have to bear the cost of frequent tendering.

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

Simple - increased operational costs reduce the amount available for service deliver staff which therefore reduces level of services provided.

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

The supplementation to raise wages of the non government sector to the government for community services workers has been an absolute farce with State and Federal Governments issuing regular tendering with new contracts which totally sabotages funding increases for wage increases associated with proper award classifications.

Indexation is random, sometimes applied, sometimes not, resulting once again in reduced staffing and reduced services.

Indexation has to be an integral part of funding and must match cost of living increases for admin / operational costs + annual wage increases + annual increment increases of staff in accordance with awards.

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

This is a difficult process involving assessment of level of needs, numbers in need, and development of effective service models which can meet the need.

CSO's provide evaluation reports to Departments as required under contracts but these are RARELY OR IF EVER READ AND ASSESSED. Therefore the Govt is missing out on invaluable information on what programs / service models are working well in the community as practically developed by CSO's in response to the needs of their target groups.

Instead Government Departments default to tendering which is a paper exercise where the biggest agencies with the best tender writers win the contracts. I have been involved professionally in community services since 1977 and have seen countless times where excellent long terms services have been defunded because they have been done over by another provider which has written a better theoretical tender. Then a new service has to be set up which takes years. This is an appalling waste of Govt money.

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

- (1) Improve the IT reporting systems - any system should be fully trialled and tested by a limited number of CSOs before being distributed. Most current systems are terrible and consume huge amounts of time.
- (2) Streamline basic organisation information so it does not have to be repeated across departments.
- (3) identify common data requirements - eg most reports would require numbers of clients, services provided, outcomes achieved according to contract requirements.
- (4) Steamline finance reporting requirements - these should be very similar and simply add another section if some specific finance reporting requirements are needed.

3.1 What length grants are CSOs seeking to provide certainty and stability for ongoing service delivery?

Should be 5+5 years with at least 6 months advance notice if funding is to be renewed (or terminated). 6 months should apply when tenders are offered to allow CSOs to set up the service with some seed funding to assist.

Govt always has enough clauses in contracts to defund if agencies are not performing during the contract.

Providing funding in arrears which applies to many programs is an absolutely ridiculous and appalling funding model.

This limits funding to cash rich agencies and mainly for-profit agencies and forces them to skew their outcomes in order to qualify for the funding. Funding quarterly (or 6 monthly) in advance MUST be the only funding model.

If agencies don't perform (after being given the opportunity to improve) they should be defunded.

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

At least 6 months as stated in Q3.1. This guideline applies in South Australia and is generally adhered to.

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

During a contract period allow CSOs to submit a proposal for innovative service delivery or a change to the service model if they have evidence will be more effective.

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

Contracts should have some clear simple requirements including

- number of people expected to be assisted (in proportion to the level of funding)
- services that are provided (ie the strategies implemented to meet the need)
- outcomes achieved by clients

All these can be specified in more detail dependent on the objectives of the contracted services.

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

Instead of Govt only having funding for tendering out for specific services, have some flexible funds available for submissions from any organisations where they have a new idea to meet an emerging need.

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

Peak bodies are good at advocacy and support to agencies depending on the issue (eg ACOSS - general social policy and some specific issues); Community Centres SA (as an example of a peak body supporting as particular sector).

Our Community is a great resource.

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

Providing finance services for finance reporting, paying wages and bills.

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

Southern Volunteering SA has operated since 1984 in the Southern Adelaide Metropolitan and Fleurieu regions and has been highly successful in referring interested volunteers to local community services. Placed based agencies build connections with the local community, are well known, know how effectively to respond to local needs. Face to face support is still crucial and must continue. There is a current obsession to default to online information and support because it is cheaper - the service types should complement each other, not either / or.

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

Specify in contracts and agencies should specify their strategies.

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

The gaps are endless in just about every service sector.

Affordable housing is a complete mess due to all Federal and State Governments withdrawing funds and selling off properties to balance budgets over the last 50 years.

To start to resolve poverty issues, Govt MUST provide a liveable income to unemployed, aged, those with disabilities.

In that way they can apply for and get jobs or contribute to community instead of battling for their next meal. Job Search agencies should be sent back to Government so that they can work with the most disadvantaged job seekers.

Medicare should be funded properly to doctors so disadvantaged people don't have to pay for health.

Some issues need long term bipartisan support and get the politics out of it.

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

Response has 2 parts.

CONTRACTING OF NGOs to ADDRESS LONG TERM SOCIAL PROBLEMS

2023

Government funding bodies have had a recent history of contracting short term of the order of 1-3 years to address long term social problems. This short term approach should be changed to a long term contracting model to be able to bring about enduring positive population outcome changes.

Contracting over 3 years (and generally with insufficient warning of renewal) is an ineffective funding model because:

- Year 1 – service is being established
- Year 2 – service is being effectively delivered
- Year 3 – service is being wound down and staff leave because of the uncertainty of renewal

This equates to one year of maximum high quality service delivery out of 3 years.

It is recommended that Government funding bodies, once they have conducted reviews and established long term strategic policies, objectives and plans, should procure and contract NGOs long term so that:

- Time lines for tenders are sufficient to enable NGOs to submit quality proposals
- Contracts are at least 5 + 5 years, with renewal of contracts dependent on service effectiveness
- Contracts should have proven evaluation methodologies to measure the effective of services in terms of agreed outputs and outcomes
- Core contracts should involve supporting organisational infrastructure and management and not just provide funding for service delivery only
- NGOs must be advised at least 12 months in advance as to whether a 5 year contract will be renewed or terminated
- Contracts should have a balanced list of funding body responsibilities as well as NGO service provider responsibilities
 - o This will include funding bodies being required to project manage contracts to ensure that contract evaluation is complete 18 months prior to a contract is completed to ensure 12 month advice of extension or termination is provided
 - o Capacity to mutually vary the contract in response to emerging or changing needs

6.2 What other solutions or changes could also be considered?

Part 2: Contracting

Long term contracting and high standard grants management practices will enable NGOs to more effectively achieve sustainable and long term client and population outcomes by:

- Building the infrastructure, policies, practices, procedures, service models and quality assurance processes to sustain high quality services in response to client needs
- Recruiting, training, supervising, building and retaining a high quality skillful workforce

This contracting approach will provide far greater value for public money.

SUMMARY

LONG TERM CONTRACTS OF 5+5 YEARS MINIMUM with

Effective evaluation methodology

Balanced responsibilities of service providers and funding bodies

Capacity to vary the contract in response to emerging needs

At least 12 month advance warning re the renewal or non-renewal of contracts

Funding provided for organisational infrastructure

TM

SERVICES ARE HIGH QUALITY AND STABLE

SKILLED AND EXPERIENCED STAFF RETAINED

TM

HIGH QUALITY LONG TERM CLIENT AND POPULATION OUTCOMES ACHIEVED
VALUE FOR PUBLIC MONEY ACHIEVED

6.3 What does success look like?

See summary in Q6.2