

## SOUTHERN YOUTH AND FAMILY SERVICES (ASSOCIATION INC)



Youth Accommodation and Housing Services

Youth Outreach Support Services

Youth Out of  
Home Care Services

SubmissionDSSstenderinquiry

20<sup>th</sup> March 2015

Committee Secretary  
Senate Standing Committees on Community Affairs  
P.O Box 6100  
Parliament House  
Canberra ACT 2600

Dear Secretary

***Re: The impact on service quality, efficiency and sustainability of recent Commonwealth community service tendering process by the Department of Social Services***

Thank you for the opportunity to contribute to the Senate Inquiry into the recent Department of Social Services community tendering process. We provide some brief information on our organisation and input under the relevant terms of reference.

### **Background on Southern Youth and Family Services**

Southern Youth and Family Services (SYFS) is a medium sized community based Incorporated Association with the primary purpose of supporting and caring for young people who are vulnerable, disadvantaged, homeless, or at risk of disadvantage and homelessness.

SYFS provides a diverse range of services including: accommodation, community social housing, counselling, mediation, out of home care, individual and family counselling, specialist services for young people with complex needs, education and employment assistance, alternative learning programs and a range of other support services. Examples of services for families include early intervention and prevention work, home visiting, family and adolescent counselling, services to assist family reconnection with young people, specific services for young families and teenage parents and parent participation strategies in the alternative learning and education programs conducted by SYFS.

SYFS services operate across the Illawarra, Shoalhaven, Queanbeyan, Southern Tablelands and South Western Sydney areas and we conduct one program that operates state-wide.

The organisation has approximately 130 employees. In the 2013/14 period, SYFS provided:

- services to 1,731 families;
- a full range of support services to 2,717 young people and
- accommodation and support to 666 young people.

Southern Youth and Family Services holds current accreditations: Quality Innovation Performance (QIP), Registered Community Housing Provider (Tier 2 National Regulatory System) and NSW Office of Children's Guardian Accreditation.



SYFS has been providing services for over 35 years and is grounded in our local communities. Developing and sustaining relationships with corporates, businesses and community groups takes time to build trust and commitment and SYFS has built and embedded this community engagement over the years of its operations. SYFS is supported in its work through:

- over 60 partnership arrangements with non-Government, Government and community organisations to enhance service delivery
- business partnerships providing work experience, mentoring, employment opportunities, traineeships, donations and other support to young people and families
- philanthropic sponsorship for a range of capital items and equipment, activities, programs, young people's needs etc.

Southern Youth and Family Services was successful in securing some Emergency Relief funding in each of our areas of operation and in continuing to provide financial counselling services in the Illawarra and Shoalhaven, under the recent grant process. We were unsuccessful in securing grants to continue two of our early intervention services targeted to young parents and young people with emerging, or established mental health issues and their families. These two services have received transitional funding until June 2015 at which time they will cease. The two services had been operating for a little under a decade, had always met, or exceeded, targets and milestones and were well established and embedded in the community.

### **Inquiry and Terms of Reference**

The Federal Government is achieving budget cuts of \$240 million, over four years, to Programs funded under the Department of Social Services (DSS), achieving this through a confusing and convoluted grants/tender process.

The tender and grant allocation process "A New Way of Working" was supposed to cut red tape, streamline the application process and provide longer term funding to enable successful providers stability, certainty and efficiency. Streamlining grants into a lesser number has potential benefits. However, in reality it significantly increased the administrative requirements for services in applying for grants, taking time away from core business, provided for a stressful, short time framed and confusing application process, and created reduced services, lack of stability and uncertainty, disorganisation and wastefulness.

### ***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;***

It is our understanding that there was no consultation with current service providers, nor the State based Department of Social Services Staff and Contract Managers, concerning the size, scope and nature of services tendered, the areas where services were to be delivered, or which Programs in the funding areas were already delivering and achieving positive social outcomes. Decisions were made in Canberra DSS, removed from local expertise and knowledge.

### ***The effect of the tendering timeframe and lack of notice on service collaboration, consortia and the opportunity for innovative service design and delivery;***

There was very little time allowed to apply for grants. There was some information given about the new Program structures available on the DSS website and through information sessions in capital cities but no information about what would be tendered, what areas would have grants or new Program guidelines prior to the opening of the tender process. Information sessions provided by DSS prior to the opening of grants raised many more questions than were answered. Providers were then given 4 weeks to read through volumes of information and complete the application process.

This Organisation submitted 5 applications for grants over this period to enable us to continue to offer the range of complementary services we had developed. This took significant staff time and effort. We spent a lot of time putting together a proposal for what we believed was an innovative project for young people to avoid or exit homelessness, under the Housing and Homelessness Service Improvement and Sector Support Program only to be informed that this grant was not to go ahead.

The impact of tendering a very large number of Program areas simultaneously overloaded the tender sites' capacity to receive submissions, causing considerable stress for applicants. The electronic process, and some forms were faulty, resulting in one of our submissions unable to be submitted except by email. We did then not receive confirmation of receipt for a number of weeks despite constant requests via phone and email to DSS.

This also overloaded the selection panels' ability to assess the applications within the initially advertised timeframe and decisions were not arrived at until 6 months, just before Christmas, necessitating a number of extensions to existing services and extending the overall process for submissions, decisions and transition to a full year period.

***The evidence base and analysis underlying program design;***

While it is positive that the Federal Government/DSS was looking to target the new Services and Programs to those areas most disadvantaged to mitigate the impact of reduced investment, the timeframe for selecting the statistical areas was insufficient and there was a lack of transparency in the methodology used to select areas. This has resulted in some odd service areas in the newly configured landscape with large gaps within areas. For example, SYFS, prior to the grant process, provided an Early Intervention Program for young people with emerging or established mental health issues and their families/carers funded through the Targeted Community Care (Mental Health) Program – Family Mental Health Support Services. We provided these services in the Illawarra (Wollongong, Shellharbour, and Kiama LGAs) and the Shoalhaven. This Program is ceasing.

Tenders were called for a similar Program, for much less funding, under the new DSS structure, funded through the Disability, Mental Health and Carers Program – Community Mental Health for Early Intervention Support. Distribution of funding was based on priority areas identified by DSS and explicit in the tender documents at Statistical Area (SA) Level 3. Only these identified areas could be provided services or applied for.

The new area in NSW closest to where we were originally providing services is 10701 Dapto-Port Kembla and 11401 Shoalhaven. The service area to be covered excludes Kiama-Shellharbour which is situated in between the two selected SA3 areas leaving a service gap and creating complexity in service coverage.

In the Kiama-Shellharbour SA3 (the excluded area between the two serviced areas) Barnardos have been operating a Communities for Children Facilitating Partnership Service and, as such they were rolled over into the new Children and Parenting Support Program with 5 year funding. Services wanting to provide services under the new Children and Parenting Support Program, that may have been previously funded as Communities for Children Direct Service providers, were unlikely to be funded where there are already funded services and this was specified in the tender documents. This would include the Kiama-Shallharbour SA3 as Barnardos were rolled over to provide Communities For Children Facilitating Partner Services. However this should not have had any effect on services applying for Disability, Mental Health and Carers Program – Community Mental Health for Early Intervention Support, or for excluding this area situated in the middle of the identified area of need.

Wollongong, to the north of Dapto-Port Kembla, under the new system, will not be eligible for Early Intervention Mental Health Support Services as it was not identified as a priority area despite demonstrated high need.

Our organisation did question the evidence base underlying the new Disability, Mental Health and Carers Program – Community Mental Health for Early Intervention Support Guidelines, which were fairly prescriptive as to the service which could be provided. Under previous tender processes, Service Guidelines were more open to services being able to indicate how they would provide the services, based on their experience with the target group of children, young people and their family members/carers. We had been, over the past 8 years, delivering early intervention Family Mental Health Support Services primarily to young people aged 12 to 24 years with emerging or established mental health issues, and their family members, in recognition that most mental illness occurs prior to age 25. This was consistent with the Guideline ages indicated in the old Program (children and young people under 25 years and their families). The new Program Guidelines changed the target group to children and young people under the age of 18 years and their family members. Reducing the age from 24 years to 18 years was problematic for the following reasons:

- It does not seem consistent with the general accepted evidence base that most mental illness occurs prior to the age of 25 years, and most between the ages of 16 - 25
- It is not consistent with the target group of other national mental health early intervention Programmes such as Headspace which has a target group of young people aged 12 – 25 years
- This Sub-Activity has identified priority populations which include young people leaving out-of-home care. The earliest official age a young person can leave care is 18 years, or sometimes older, so the new target group actually excludes most of a stated priority group

This will leave a huge gap in early intervention services across the country for those at risk of, or developing, mental health issues who are aged 18 to 25 years and those leaving care. We believe these Guideline changes are not based on evidence and effectively change the focus from an early intervention program targeted to mental health issues to an early intervention program targeted to general well-being.

We are also very concerned that the collapse of a large number of targeted Programs into the more generic Families and Communities Program has changed the early intervention focus to early childhood rather than intervening as early as possible when an issue or risk factor is identified. The only youth specific Program within the new Families and Communities Program – Children and Parenting Support is the Young People Activity. This Program was not put to the tender process in this round, representing current Reconnect, early intervention into youth homelessness Programs. We hope the focus on youth homelessness is kept and this Program does not become a generic youth Program as the Reconnect Program is recognised internationally as a best practice model of early intervention into youth homelessness. We are however not confident of the Program keeping this focus with the changes to Programs.

***The clarity of information provided to prospective tenderers concerning service scope and outcomes;***

The information provided was intentionally broad, based on the premise that tenderers would then have flexibility in designing their approach. However, the ambitions of many of the Programs were far higher than the funding being allocated, making achievement of the outcomes specified difficult. Underlying the tender process was the position that government was not responsible for fully funding the services it was purchasing. The Value for Money criteria included assessment of the applicant's demonstrated "capacity to fund the proposal taking into consideration all possible sources of finance, including debt finance".

***The opportunities created for innovative service design and delivery, including greater service integration or improved service wrap-around, and the extent to which this was reflected in the outcomes of the tender process;***

There were large differences in the design of different Programs with some being quite prescriptive in what was to be delivered and some being more open, allowing for more innovative solutions to be proposed. The timeframe of the process in fact excluded the development of service integration and wrap around models that were not already developed and operational. It was impossible to develop effective partnerships or consortium arrangements in the time period, though this was a stated purpose of the process. As the outcomes of the tender are still not known it is impossible to determine if this intent is reflected in the tender outcomes.

The grants procurement process actually failed to take into consideration what other government funded, or non-government funded services were in fact integrated or collaborating with, or value adding to the DSS-funded Program and which could be jeopardised, diminished or otherwise affected if DSS funding was cut. For example, SYFS operate over 40 services, through a range of government funding, self-funding and fund-raising activities. SYFS offers a 'wrap around' service model integrating service responses across the organisation and geographical areas. The integrated approach has common systems for referral, assessment, case management and data collection. Young people and families can enter the service system at any point and receive multiple services while developing a network of relationships and building a sense of belonging and connectedness. The internal systems are enhanced by over 60 partnerships with other services, business and individuals. This service has lost two significant early intervention services targeted to young parents and young people with emerging or established mental health issues in both the Illawarra and Shoalhaven regions. This will have a significant impact on their access to services in the regions, our internal ability to provide the range of services we did and will have flow on effect across our partnership arrangements, including business, community and individuals.

It is a much more likely outcome that collaborative, integrated and wrap-around services were significantly reduced through the process.

***The extent to which tenders were restricted to not-for-profit services, the clarity of these terms, and whether they changed during the notification and tender process;***

It is not clear that tenders were restricted to not-for-profit services. The guidelines for the Children and Parenting Funding Round, for example, specifically state that public companies are eligible to apply. There is no further explanation as to whether these are listed or unlisted public companies. These guidelines also state that an individual may be eligible to apply, depending on their individual proposals.

These services are being funded through public money, to provide services to vulnerable and disadvantaged community members. We believe that much greater clarity was needed on, and indeed that tenders should have been limited to, delivery by not-for-profit agencies.

***Analysis of the types, size and structures of organisations which were successful and unsuccessful under this process;***

It is still unknown which organisations were successful or what they will provide. This is a very important question for this Inquiry and we urge the Inquiry to seek this information and consider the impact on small, community based organisations.

***The potential and likely impacts on service users concerning service delivery, continuity, quality and reliability;***

The reductions in grants will impact on the level of services to be delivered and overall will reduce people's access to much needed services. The grants process will not only reduce service delivery, it is evident there will be large scale changes to the service system across Australia and this will impact on business/corporate partnerships, integration and coordination of local services systems, referral mechanisms and knowledge of services within the community and a range of other processes.

We believe that the DSS Program re-structure, subsuming a range of early intervention and other Programs into a huge Families and Communities Program, and subsequent tender process, has resulted in a significant decrease in Programs targeted specifically to at risk populations. Programs developed and put to tender processes are more generic and universal and we believe successful services will tend to be more "one service type fits all" on the ground. Another result of this "bundling" has been a shift in the early intervention focus from intervening early in an identified problem, or risk, to intervening in early childhood.

This, we believe will have huge implications for disadvantaged families from specific groups who are not usually well catered to by generic and universal services. The tender process and documents included a lot of rhetoric about targeting services to disadvantaged children, young people and families, and developing access plans for vulnerable people, but this is not necessary if the focus is on specific disadvantaged populations.

In our geographical service coverage areas we know we have lost one service targeted to young parent families and one targeted to young people with emerging, or recently established, mental health problems and their families. These are two groups who will be adversely impacted on in this region.

Young parents are a particularly vulnerable group. They have less support networks than other parents, experience additional parenting issues as well as multiple barriers to accessing existing generic services and participating in the community. These young families are socially isolated, disconnected from their communities, living in poverty with few life, coping or parenting skills and are more likely to come from dysfunctional family backgrounds themselves. Such situations often result in domestic violence, substance misuse, family breakdown and/or the children in these families coming into the care of the State, and the generational pattern continues.

Vulnerability to mental ill health is heightened in youth aged 12 to 24 years and can manifest along a spectrum of psychological distress, mental health problems or clinical disorders. However often go undiagnosed due to symptoms fluctuating, being confused/compounded with developmental changes and mental health professionals reluctance to diagnose young people. This group is extremely reluctant to seek help, especially mental health assistance, yet problems can affect their ability to undertake activities for successfully transitioning to adulthood such as participating in education, employment and maintaining relationships and may develop into more severe clinical disorders. This group of young people need specialist youth-friendly whole of family assistance not generic family interventions.

We do not know what, if anything will be funded in the area, but it could be a playgroup or community education program on mental health. If so, these two groups of disadvantaged people are unlikely to benefit in any way, though the general population may. This will also merely result in a "cost shift" to other Federal or State systems which will have to potentially intervene with these families at a later time such as the State Child Protection, Mental Health, Specialist Homelessness or Juvenile Justice systems.

***The framework and measures in place (if any) to assess the impacts of these reforms on service user outcomes and service sustainability and effectiveness;***

We have not been informed of any measures for assessing the impacts of these reforms on service user outcomes and service sustainability and effectiveness. In developing such measures, it is essential to consult with the service delivery agencies and seek broad input of practitioner and organisational knowledge.

***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 transparency in how the determinations as to what Programs, Activities and/or sub-Activities were to be just rolled over and extended for a five year period, which were to be determined through an open selection process, which by a direct selection process and which by a restricted selection process. For example the former Communities for Children Facilitating Partner Services had their grants renewed for a five year period under the new Families and Communities Program but the former Communities for Children Direct Services had to participate in an open selection process to provide services under the new Program. Another example is that some of the former Family Mental Health Support Services were invited to a direct selection process (these were the most recently funded services which had quite prescriptive guidelines designed by DSS Staff), while others had to participate in an open selection process to provide services under the new Community Mental Health Activity. It is unclear how these decisions were made and, in fact appears determinations and decisions were made on the preferences of Bureaucrats within the Department of Social Services.

Unsuccessful tender applicants were able to access only broad generic feedback summaries that listed the criteria and provided lists of some strengths and areas for improvement of applications received. Unsuccessful tenderers who wanted more detailed individual feedback were required to register a request. DSS stated that they would *undertake* to provide individual feedback within 12 weeks, or approximately three months, of the closing date for registrations, 2 February 2015. This is an unacceptable timeframe. We have still not received any individual feedback and are unclear why we were unsuccessful in securing grant funding for two services/activities we have been successfully providing in our community for almost a decade.

It appears there is no appeals process.

***The impact on advocacy services across the sector;***

On the 23<sup>rd</sup> December 2014 it was announced that the following funding streams would no longer be receiving grant funding:

- Housing and Homelessness Service Improvement and Sector Support
- Financial Crisis and Material Aid Sector Support, and
- Financial Counselling and Capability Sector Support

All these Programs included funding for community sector Peaks, representational bodies and /or sector development activities.

Community sector Peaks play an important role in advising Commonwealth and State Government about issues facing disadvantage, advocating for these groups and the services that assist them, and developing and distributing information, research reports, and best practice for all their members. SYFS believe that community sector peaks and advocacy for disadvantaged groups are highly important to the community services sector, their effectiveness, knowledge and continued quality improvement activities.

It is very unclear why these particular and very important funding streams were cut.

***Factors relating to the efficient and effective collection and sharing of data on outcomes within and across program streams to allow actuarial analysis of program, cohort and population outcomes to be measured and evaluated;***

We believe that any attempt at standardised data collection allowing actuarial analysis will result in such broad outcomes as to become meaningless. At this time, there is no evidence that DSS is competent to use any information it collects in a planned, transparent and useful way. We currently collect our own internal standardised data across over 40 Services, with some areas having specific data items relevant to their specific objectives. Various funding bodies then require us to collect data/information specific to their Programs, necessitating the use of concurrent systems and increased administration and red tape without benefit to us. If we receive any reports or information in return it is mostly not useful.

The cost of such a data collection would be immense and an assessment of the cost versus the result and the usefulness would have to be carried out with the field. Any changes to data and information collection should require extensive discussion and consultation with the community services system that will be required to collect the information/data.

***Any other related matters.***

We would urge the Government to review the impacts of this reform and its processes prior to embarking on further reforms, in order to make improvements for any future restructuring.