



## **Submission to Senate Standing Committees on Community Affairs**

### ***Inquiry on the impact on service quality, efficiency and sustainability of recent Commonwealth community service tendering processes by the Department of Social Services***

#### **Introduction**

The Chinese Australian Services Society (CASS) Limited welcomes the opportunity to provide a submission to the Senate Inquiry regarding the impact on service quality, efficiency and sustainability of recent Commonwealth community service tendering processes by the Department of Social Service (DSS). As an applicant and recipient of this DSS's grant/funding round, we would like to share our experience with the Senate Standing Committees on Community Affairs on the application process and its likely impact on service providers in this round.

#### **About CASS**

CASS was founded in 1981. Its main service objective is to provide a wide range of welfare services to the community, assisting migrants to settle and integrate into the Australian society. CASS provides a comprehensive range of community services and activities, including residential aged care, home ageing and disability services, vocational training, health and settlement, volunteering and family and children's services. Our services currently cover Inner West, South Eastern, South Western and Northern Region of Sydney as well as Wollongong. CASS serves the Chinese, Korean, Indonesian, Vietnamese and other CALD communities as well as the Australians. More than 2,000 families access our services and activities weekly.

#### ***The Process***

In 2014, we made an applied for the Settlement Grants. While there are some administrative changes introduced in this grant round, we do not feel that the application process for the Settlement Grants of this round is handled in a significantly different way than application processes in previous years. The followings are the key observations we have regarding the application process:

#### **Consultation/ Information session:**

While we do not recall any consultation process regarding the administrative changes in the funding application, DSS held information sessions to explain the application process after the announcement of this new round of DSS grant. Our representative who attended the information session did not observe any particular confusion or grievance from our fellow service providers at this stage of the funding round. The information given by DSS, in our view, was clear and sufficient enough for community service providers to prepare for their applications.



### **Timeframe and notice period for the application:**

Based on our experience in applying for the settlement grant alone, we feel that the timeframe for application in this funding round is the same as previous rounds. Service providers normally are given 4-6 weeks to prepare for the application. Therefore, we do not feel that the timeframe of application for this round constitutes any difference with previous years. Hence, it is a reasonable timeframe for experienced community service providers to lodge the funding application. Neither the notice of outcome was particularly short for this round, when compared with previous practices. While we believe that service providers will be benefited by having a longer period between the notice and commencement of service agreements, it would be unfair to suggest that the notice period is particularly short in this round, when compared with previous rounds.

Since we only apply for a single grant on settlement services in this round, our experience may not apply to organisations who are looking to form consortium or other forms of service collaboration. From our past experiences in forming consortium with other service providers, we feel that 4-6 weeks may be a short timeframe for organisations who are at the beginning stage of collaboration. However, for experienced organisations who already have established relationships with partner organisations, the timeframe for this application should not constitute a formidable barrier. After all, the groundwork for service collaboration should have been laid prior to grant application.

There is, however, one major difference in the outcome announcement in this round. The list of successful applicants for DSS grants was not listed immediately after DSS informed the outcome to applicants. In the past, a full list of successful organisations in the funding round was released in the website immediately after the outcome was announced. We believe that making this information available promptly in DSS website demonstrates the transparency of the DSS, therefore, it is a good practice that the DSS should continue to follow.

### **Eligibility of applicants**

The settlement grant application form clearly states that only non-profit organisation is eligible to apply for this grant. Therefore, we believe that the grant we applied for this round was restricted to non-profit services only. We understand that whether funding application should be opened to for-profit organisations is a highly contested issue. Concerns are often raised on whether the social objectives of community organisations would be compromised by fierce market competition, which sometimes leads to cutthroat tactics or other forms of short-termism. We believe that this issues warrants a national debate. Should the government decide to relax the restrictions in eligibility, the selection criteria should include: 1) whether an organisation is able to deliver services to clients effectively in an efficient manner; 2) whether an organisation can deliver high quality services that comply all national standards and requirements; and 3) whether an organisation has a track record of good performance and community participation.



### ***The Likely Impact on Service Providers***

We believe that some of the reforms introduced in this funding round will have positive impact on service delivery. Particularly, the longer term grant agreements this round allow successful applicants to have a relatively longer term service planning. Longer term planning can improve service delivery, continuity, quality and reliability. For the past 8 years prior to this application, CASS had been trying to apply for a 3-years funding for our settlement services. However, we received only grant for 1 year and was required to re-apply again each year. We received a grant for 3 years in this round. This longer term grant allows us to arrange longer term planning that can explore innovative service design and delivery. In addition to that, administrative changes such as the move towards a single grant agreement for each provider and a simplified reporting process also help to reduce administrative burden of service providers. These arrangements are likely to have a positive impact on service providers and DSS should be commended for these reforms.

Unfortunately, the positive impacts of these reform are inevitably compromised by the difficult task of funding reduction as part of the government's new direction to balance the budget. Some service providers are likely to receive less grants, or lost the grants completely, under this circumstance. Their service users will suffer some negative consequences as a result of that. However, we do understand the resources are limited and the government sometimes faces tough choices in resource allocation.

With the reality of reducing resources in the coming years, it is important for community service providers to find ways to improve the efficiency of their operation while continuing to deliver effective services to clients. We understand that the new reporting requirements of DSS will shift the focus of performance measurement from outputs to more meaningful information about service delivery outcomes. Rather than measuring only the number of services or activities delivered and who received them, the new requirements will measure the benefits that the client received. National benchmark is also introduced to compare a grant recipient's service delivery performance against national benchmarks for similar services, considered against scale of funding, locality of service location and other relevant characteristics. While it will be too early to comment on the success or failure of these measures, we believe that new framework and measures are introduced by DSS to assess the impacts of these reforms on service user outcomes and service sustainability and effectiveness. We believe that more time should be given before a conclusion can be made on the likely impact of these reforms on community service providers and users at this stage.

### **Conclusion**

We believe that the service tendering process conducted by DSS in this round has some rooms for improvements. In particular, DSS should ensure transparency of the tendering process by making sure the full list of successful applicants is available in DSS website once the decision is made.

However, we do not feel that there is a marked difference in the application process between this funding round and previous ones. Some reforms introduced in this application, such as



longer term grant agreements, streamlining administrative requirements and the shift of performance measurements from output to outcome, will likely have positive impacts on service delivery.

We, therefore, urge the Senate Committee to recommend DSS to improve transparency of the tendering process. We also urge the Senate Committee to encourage DSS to continue working with service providers in the civil society to improve the application process and ensure funding allocation rewards service providers which focus on delivering effective service to users in an efficient manner. We are happy to have a further discussion with the committee members on our experience and point of view regarding the DSS grant application process in this round.

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