



18 February 2015

**Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT**

Dear Sir or Madam

In response to the Senate Standing Committees on Community Affairs enquiry into tendering processes by the Department of Social Services please find attached Campbelltown City Council's submission.

The response is based on Council's experience as an applicant and funded body of the Department of Social Services as well as our in-depth local knowledge and understanding of the impact of the tendering process on the community sector across the Local Government Area. Council participates in a wide range of service provision, activities and projects with the sector to support our local residents some of whom are the most vulnerable people in the state.

We have developed our response in line with the Committee's terms of reference and have addressed the most relevant points within the terms of reference using in-text responses.

I trust that the comments and feedback will be of value to the Committee when evaluating and developing future funding and tendering processes in order to continue to support the sector to provide quality services and programs for our local community.

If you require any further information, please contact me

Yours sincerely

**Bruce McCausland
Manager
Community Resources and Development**

The impact on service quality, efficiency and sustainability of recent Commonwealth community service tendering processes by the Department of Social Services, with particular regard to:

- 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;
- 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 funding round was only open for a short time, therefore there was not enough time for organisations to form a consortium and there was limited encouragement for services to join together. There was limited time to collect evidence and the required evidence base was unclear.

The relatively short timeframes from announcement of funding rounds opening to the closing date for submissions does not allow sufficient timing to complete quality submissions. From a local government point of view submissions need to go through council reporting systems which are on monthly cycles. By the time submissions are prepared, including approvals from council hierarchy prior to council reporting the submission closing date has passed or submissions are "rushed" and the true quality of the proposed program is often under promoted.

If the funding being sought is by joint services' collaboration sufficient time is not available to discuss quality program design, partner agreements or memorandums of understanding between multiple agencies. There is also insufficient time to allow for approval times through each organisation's hierarchies. Again funding submissions are rushed and the quality of the application is diminished.

Highly competitive funding with many services applying for the same program funds creates a barrier to partnerships and consortia.

The timeframe is too limited to collect the specific evidence required for funding applications.

- c. the evidence base and analysis underlying program design;

The requirements of the evidence base are unclear. This needs to be clearer in the program funding guidelines and also with the flexibility to cover the needs and issues in different regions.

- d. the clarity of information provided to prospective tenderers concerning service scope and outcomes;

The information given about new programs and what is being targeted is unclear in the submission process making it difficult to align with State and Local government strategies. It is difficult to develop a clear pathway between the outcomes of projects with the funding program outcomes.

The limited word count does not allow sufficient opportunity to provide enough information and evidence into the applications.

Guidelines lead to national scope but maximum amount of funding was only \$100,000. This makes it very difficult to develop projects to fit within the funding available. Many valuable projects are also of a local or regional nature and may be overlooked because of the national focus.

The types of funding options and opportunities are being reduced along with the total available amount of funding for each round - reducing services ability to respond to the range of community needs.

- e. 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;

The length of time for funding allocations is too short to improve on or implement service wrap-around. The limit of the amount of funding is insufficient to provide service wrap-around.

- f. 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;

- g. analysis of the types, size and structures of organisations which were successful and unsuccessful under this process;

There is a lack of feedback to services on both successful/ unsuccessful applications or the feedback provided is too general or vague. Feedback is generally given that applications were unsuccessful due to the large number of applications received rather than on the quality of applications or where there were gaps in responses.

The culling process for the applications is unknown.

There is not enough opportunity or time to refer clients if funding is unsuccessful as organisations do not receive information on who has future funding if an ongoing service or program is not successful in their application.

- h. the implementation and extent of compliance with Commonwealth Grant Guidelines;

DSS haven't capitalized on services/programs that already exist - if investment were put into these services (rather than ceasing funding or providing only short-term funding) there would be a stronger opportunity for services/ programs to instill confidence within the community and sector to gain much greater outcomes. The lack of confidence in the sector has a detrimental effect on outcomes.

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

Limited short term program funding creates uncertainty within organisations and instability for service users. Program funding for one to three years is insufficient to successfully implement long-term change for communities. It creates a lack of confidence in the sector by service users. Comments in the local community clearly support this. Such comments include "you will only be here for a year and then what will happen to me/ my family".

Unstable job roles in services are created by short term funding. Employees in the sector move from role to role as funding becomes available across organisations in the sector. As a result service users feel abandoned by services, which reduce levels of trust and makes real further engagements with services increasingly difficult.

As service users are beginning to improve their circumstances and make positive change there is an impact when funding ceases which results in programs being withdrawn, available alternatives being created or available alternatives not being known. The impact on service users of having to source an alternative or establish relationships with a new worker in another organisation often affects the trust factor. Service users become disillusioned about how long they will have support for. In some cases service users will not seek alternative supports and their circumstances will either stagnate or decline to their original situation.

When services are unable to source funding they are in a position where they do not have enough time to refer clients on. Services need to be provided with information on who will pick up the funding or what other programs have been funded in order to refer the service user onto.

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

There is little opportunity to assess these impacts as often services have no choice but to terminate workers who have this knowledge – there should be a system to monitor clients who are turned away from services or how many people cease to engage in service provision to assess the broader impacts of the reforms.

- 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;**

Local organisations have requested future information – however no response has been provided. There is a lack of clarity around the application process. There are concerns the panel on funding submissions consists of all DSS staff, there is a lack of transparency around independent experts.

- l. **the impact on advocacy services across the sector;**

- m. **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;**

- n. **the extent of contracts offered, and the associated conditions, to successful applicants; and**

Clarity around agreements is needed. What has been received and agreed timeframes needs to be consistent with funding agreements.

- o. **any other related matters.**