



Catholic Social Services  
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Senator Katy Gallagher  
Chair  
Senate Finance and Public Administration References Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Senator Gallagher,

### **Inquiry into Indigenous Advancement Strategy (IAS) Tendering Process**

Catholic Social Services Australia (CSSA) welcomes the opportunity to comment on the IAS grant tendering process. Our submission reflects the direct experience of those CSSA member organisations involved in the IAS tendering process and also draws on our members' long engagement in the social service sector and involvement in tendering and grant processes.

#### **About Catholic Social Services Australia**

CSSA is the Catholic Church's peak national body for social services. For over 50 years, CSSA has assisted member agencies work towards a fairer, more inclusive society that reflects and supports the dignity, equality and participation of all people. Our 59 member agencies employ around 12,000 people, with 4,000 voluntary contributors to this work. The network provides community services to over one million Australians every year, with programmes valued at around \$600 million.

CSSA's vision is to ensure that Australia is a place where all people are treated with respect and have the opportunity to fully participate and contribute; a society in which people of all ages, especially our elders, children and vulnerable groups, have the assistance they need to live a dignified, healthy and meaningful life. To achieve this Australia needs a social support system that is strong, coherent and accessible by those who need it most.

CSSA's members work across the full range of social issues for example with Indigenous people, vulnerable children, families experiencing relationship challenges, people experiencing mental illness, people with disabilities, people who are homeless, people who are seeking asylum and people who are refugees. These services have wide ranging social and economic benefits, from ensuring children are loved and safe and have every opportunity to thrive, to securing long-term housing, support and productive employment for people whose prospects had been severely limited.

#### **Direct experience of the IAS process**

The IAS tendering process affected many CSSA members experienced in working with Indigenous communities and Indigenous agencies on the ground. Nine CSSA members have

been informed that they are preferred applicants in the IAS tendering process. Other members will be involved in delivering services as partners with other Indigenous and non-Indigenous agencies funded through the IAS as they deliver complementary support services to Indigenous clients funded through a variety of other Government and non-government sources. Individually and collectively, CSSA member organisations have been and remain vital components of the social services landscape that supports Indigenous people and their communities.

The reforms in social services and funding cuts announced in the May 2014 Federal Budget have had a significant effect on the sector. Service providers have, over the last 12 months, experienced considerable upheaval and some anxiety as a result of funding cuts and subsequent reinstatements of funding at the same time as participating in concurrent major funding rounds.

The IAS process was conducted immediately after the Department of Social Services (DSS) funding process, leaving services little time to regroup from what was a major disruption for agencies. Both processes took up valuable time and resources additional to day to day operations.

The issues associated with the DSS process are well documented and are the subject of an Inquiry by the Senate Committee for Community Affairs. CSSA's submission to this Inquiry can be found [here](#).

CSSA acknowledges that the creation of a single set of guidelines and one IAS grant agreement (with the Department of Prime Minister and Cabinet) has resulted in a reduction of red tape and a reduced reporting burden. CSSA commends the Government on moving the focus away from siloed programmatic responses to difficult social problems toward an outcomes-focused and integrated approach to services supporting Indigenous people.

However, CSSA members report the following concerns about the process and the outcomes for clients:

- There were a number of communication issues including the length of time the Department took to respond to questions and answers, the generic nature of Departmental correspondence which did not provide the specific information needed, and the fact that all queries were dealt with in one central office which resulted in delays in information flow.
- The process did not acknowledge the collaborative partnerships and experience of working with communities that has been built up by agencies over many years.
- The actual funding offers did not include sufficient detail about what was being offered, leading to confusion about which services remained and which were new. This made it hard to plan for transitioning clients from services that were closing to appropriate new services, and to identify any emerging gaps in service delivery.
- The methodology used to make decisions about successful proposals and associated funding is not clear. In several cases (including the example in the box below), the

funding offered does not resemble the funding applied for in the application and this will now require a reworking of the proposed activities.

- Feedback offered by the Department for unsuccessful applicants was generic and did not refer to specific applications. This means that agencies have not received information to assist them to understand how they could improve future applications.

As at the end of April uncertainties about the outcomes of the tendering process still remain. Even though funding offers have recently been made to the successful agencies, the actual support available to vulnerable Indigenous people now, and into the future, is not clear. An example in the box below illustrates this uncertainty.

***Unsatisfactory funding offer for a new project successful in the process***

A CSSA member was successful as the lead agency in a tripartite arrangement. The project focused on early intervention services for school aged children. The letter of offer, however, included only 5% of the funding for which the organisation applied to deliver that service.

The member agency contacted the Department via email in early March to clarify the offer. Department of Prime Minister and Cabinet re-iterated that only 5% of the funding was available. This funding is to be directed to only one activity in the proposal. To ensure that the funding stays in the region, the member has accepted the offer but as at time of writing this submission (end of April), the member has not received further advice from the Department about how this affects the integrity of the tripartite arrangement and proposed activity described in the application.

**Conclusion and recommendations**

The strengthening of 'civil society' to ensure Australia is a place where poor and vulnerable people are able to thrive depends on a strong social services sector. Funding allocation processes, such as the IAS and the DSS processes, provide an opportunity to strengthen and further integrate services on the ground so that real client centred supports can be delivered to create positive and enduring outcomes for individuals, families and communities.

The administration of the IAS by the Department of Prime Minister and Cabinet does not occur in isolation to the rest of the social services sector. CSSA believes that an overarching coordinated consultation process and planning approach across the social services sector and a sharing of the infrastructure required to conduct a tendering process could achieve greater reduction in red tape leading to a more efficient process for both services and government.

The recommendations outlined below echo CSSA's recommendations to the Inquiry into the DSS process. These recommendations are based on the premise that a grant funding process, such as the IAS tendering process, is a tool to achieve a social objective. As such, the more standardized the approach taken by all Departments to the planning and administration of the process the more efficient and effective the outcome. A standardized approach will also strengthen the capacity and capability of the not for profit sector to meet the Government's objectives and demonstrate the value of the work that the sector does to support vulnerable communities.

In addition, CSSA recommends that, for future grant tendering processes, the Department of Prime Minister and Cabinet works with DSS to share infrastructure that supports grant funding and administration processes. This would enable the lessons learned from both of these recent processes to be shared, building a best practice approach to funding processes. Sharing systems, specifically IT systems, would ensure greater efficiency and value for money for Government and service providers.

CSSA suggests that this collaboration between Departments extends to data collection and reporting comparability for all grant funded social service programs. This would enable the Government and service providers to understand the outcomes being achieved across the whole spectrum of services that support all vulnerable people, including Indigenous people and communities.

Thank you for the opportunity to provide comment.

Yours sincerely

**Sue Ludwig**  
Director  
Member and Network Support

On behalf of  
**Marcelle Mogg**  
CEO

30 April 2014

In order for the Government to achieve its aims of reducing tape and providing greater opportunity for collaboration in the delivery of social services and generate better outcomes for Indigenous communities and individuals while reducing administrative burden, **CSSA recommends that:**

- 1. The Government works closely and intentionally with the not-for-profit social service sector, including agencies with specialist skills and experience working with Indigenous communities, to build a strong and effective partnership approach to effect social change.**

This involves a commitment that future social service planning and programme reforms, including those relating to grant tendering processes, are developed collaboratively and build on the wisdom and capacity of the social services sector, including Indigenous people and Indigenous organisations, to achieve the outcomes desired by Government and the community.

- 2. The Department of Prime Minister and Cabinet implements a robust planning methodology to guide the allocation of funding for services underpinning the IAS, including the identification of:**
  - a. The true costs to deliver short, medium and long term social outcomes**
  - b. Current estimates of population need**
  - c. Future population projections and impact on need**
  - d. Authentic measures of social impact**

This would provide an evidence based model for investing adequate funding in the areas that most need it most for the time it takes to achieve tangible social impact.

- 3. The Government evaluates grant administration processes for social services, across all relevant Departments. This includes: reviewing the true costs of conducting competitive funding processes, to Government, to service-delivering agencies and to the communities concerned.**

This information will enable all Departments to take into account overall value for money for Government and for the community when determining the nature of future funding processes.

- 4. Government Departments model possible changes to service coverage that would result from implementing programme reforms *prior* to conducting a funding process.**

This will show possible unintended consequences and allow for risks to be addressed by working with agencies that are on the ground *before* services and clients are affected.

- 5. The Government develops a policy framework for social services that integrates its response to the Reform of the Federation White Paper, the McClure Review and other reforms that affect the social service environment required to support vulnerable people specifically Indigenous people and communities.**

This will ensure that funding is allocated and administered across the Federal Government in a way that ensures the social services sector is robust, coherent and supports Indigenous people according to their needs.

**6. The Department of Prime Minister and Cabinet work with DSS to coordinate infrastructure underpinning grant funding processes and administration of grant agreements.**

Consistency of approach and shared infrastructure for administration of grants from allocation of funding to grant agreement management, for example IT systems, will ensure greater efficiency through the reduction of duplication and shared best practice. Shared outcomes information across all of social services will inform integrated planning across programs and ensure that appropriate levels of funding to achieve immediate and longer term outcomes are directed to vulnerable people including Indigenous people.