



## Northcott Disability Services - Questions following the public hearing on 10 September 2012

Numerous organisations who have made submissions to the Inquiry have discussed the role of philanthropy in the provision of additional funding.

- In regards to private philanthropy, are there specific strategies that Northcott uses to encourage donations?
- In your experience, has the aggressive pursuit of donations by some organisations had a negative impact and resulted in a decrease in donations?

Response from Kerry Stubbs, Chief Executive Officer, Northcott Disability Services

### Question 1

Northcott has a 5 year Fundraising Strategic Plan that covers donations from private philanthropists (trusts and foundations and high net worth individuals). Trusts and Foundations are approached as per their criteria for funding, they are approached to discuss potential projects and if confirmed as suitable a formal application is made. Donations from individual philanthropists are encouraged by building relationships through one-on-one meetings to understand their giving preferences. They also receive personalised appeals. All philanthropic supporters are given regular updates on how their donation has been used and the difference this has made to our clients/organisation.

### Question 2

It is important to respect supporters and not overwhelm them with requests for funding. We survey our supporters periodically and ask them how often and what type of communications they wish to receive from Northcott and tailor their communication from us accordingly. Feedback from many of our supporters reinforces this importance as they thank us for not sending numerous appeals to them throughout the year and state this as being the reason why they continue to support us. We have no evidence that aggressive marketing by other organisations has affected fundraising in our case.



**QUESTIONS FOLLOWING THE PUBLIC HEARING ON 10 SEPTEMBER 2012**  
***Inquiry into Outsourcing Service Delivery***

*By Melinda Paterson [MP] & Roslyn Morton [RM], Southern Community Care Development (SCCD)*

*1. re Community Transport Organisation submission:*

- There are a network of 130 Community Transport services across the State, each of these organisations provide a variety of services dependant on the funding and the auspice body. The whole of the State is covered, however, the regional and remote regions have the greatest difficulty in providing services due to the huge distances that people need to travel to access medical and social services. For instance on the far north coast a Volunteer driver may need to drive a client 4-5 hours to reach a hospital in Brisbane, thus the return trip is well over 9 hours – on country roads . In the city the difficulties are often traffic, parking and lack of consistent funding across suburbs [RM]. SSCT is the only specifically funded community transport (CT) provider for Sutherland Shire residents [MP].
- The whole of the State is covered by Community Transport, the region and remote often depending on Volunteer drivers to deliver services [RM].
- Each Region in the State has its own Region network, this is supported by Community Transport Organisation (CTO) the peak body for the sector. These Regions receive no funding and members need to contribute their own organisation funds to run training and development for the sector at the Region level. Some of the Regions have a high attendance and good communication with other providers in the region. Other regions, either due to distance, funding, staffing issues find it more difficult to meet regularly [RM]. HACC Forums & similar interagencies link HACC-funded & related community care services, with convenors such as HACC Development Officers & Council Workers maintaining e/ mailing lists & producing service directories (eg. [www.ssccl.org.au/services-directory](http://www.ssccl.org.au/services-directory)), e/newsletters etc to facilitate networking & to promote new services. Individual CT providers also initiate contact with other services for promotion purposes & to establish mutually-beneficial referral pathways, including contracts & MOUs for their use of CT buses. In Sutherland/St George, we also have a Transport Forum, convened by the Manager of Sutherland Shire Community Transport, which brings together other community services, including bus, rail & taxi transport reps [MP].
- The existence of HACC/Community Care Forums is fairly consistent across NSW, but individual workers have different approaches & tailor to local needs [MP].

- As mentioned previously, the network is supported by the CTO, however there is an unequal representation at the CTO Board as each region elects one representative, this works against the Sydney Regions, Sydney Met and Sydney West Met, as they only have one representative on the Board of the CTO, even though they represent the largest client demographic [RM].
- Each Community Transport is defined by their funding agreement, some groups are able to work more closely with their neighbouring services due to distance and common funding. However, there are often difficulties in referring clients to other services due to the disparity between the services [RM].
- Innovative solutions is what Community Transport is well known for, some examples are: arranging for a local resident to transport a client desperate to get to a local medical centre in a remote township, providing travel training to people who have lost their confidence to travel on public transport, issuing cab vouchers for clients to assist with their transport needs, training or re training drivers who are at risk of losing their licence, running shuttle buses to large shopping centres to allow clients to have good access to low cost shopping. One service being trialled in the west is a vehicle which leaves Orange and collects patients for Westmead hospital from Bathurst, Blue Mountains, Penrith on the drive through, so saving the use of numerous vehicles. Other innovations include the use of computer technology to track vehicles and allow the drivers to have up to the minute information on the needs of their clients. Web based booking systems are also being used to assist those people who have difficulty using the telephone [RM].

## 2. *Re small orgs*

- Lack of corporate style resources has mixed impacts on SCCD. On the down side, our staff spend time on issues not part of their core jobs, such as fixing IT breakdowns, which can be frustrating & time consuming, especially when strictly not part of the individual worker's skill set. It can also hamper our operations; for instance, we have had a printer out of order for several weeks amid phone calls between our 2 day-a-week admin assistant and the manufacturer's helpdesk. If/when we call in a tech, it will involve an expensive call-out fee. Fortunately, we have not had any HR challenges involving workers comp or such. It would be challenging, because our manager is out of the office much of the time fulfilling her funded role in community development & is not specifically qualified in HR. Members of the volunteer management committee – who all have fulltime jobs – would probably have to assist. On the plus side, SCCD staff are creative & quick learners through necessity. They appreciate the fundamentals of operating a community organisation, which allows our HACC DO to provide genuine empathy & support to the other small orgs she assists. Also, our recurrent operating costs are streamlined, & we spend public funds only on what's needed to get the job done – no luxuries or levels of management hierarchy [MP].

## 3. *Re resource development*

- Centralised IT might be useful for small organisations to share, as it not an element of governance, and therefore something that can be outsourced without conflict of interest, competition or confidentiality issues. HR would be more difficult to manage as an outsourced element of several employer organisations & would require very good management systems. As for 'pooling resources', there's not much to pool, & once again, splitting costs & usage would require complex systems to ensure equity etc [MP]. Also, the requirements of funding bodies to comply with various legislation such as WHS, Tax, Superannuation etc would make this difficult unless there was some support offered to achieve the outcomes [RM].
- Government could support smaller community based organisations by recognising the difficulties in meeting various Government requirements, rather than having a policy officer to be the only contact, it would be useful to have a resource person who would be able to assist smaller organisations with sector development and promotion of services to the wider community [RM].

## 4. *Regulatory requirements*

- Funded NGOs like SCCD have all the same legal & financial compliances as any other business (around insurances, payment of GST, WHS policy & procedures, employment of staff etc) & annual reports & AGMs for incorporation requirements, as well as the completion of reports to each funding body (including quarterly service usage data or annual workplan & report, quarterly or annual financial acquittals & assets lists, sub-contractors registers etc, depending on the funding sources). HACC services are also assessed triennially against Community Care Common Standards. Our management

committee/Board provide governance oversight & direction, but much of the legwork has to be done by the staff. We do not receive funding for a manager – only for project outcomes - & do not have profits like a normal business to pay for one. As the senior (& only 5 day-a-week staff member), the HACC Development Officer role therefore includes management responsibilities, which have to be juggled with the busy HACC DO workplan & meeting schedule. In practical terms, this means some unpaid hours & occasional weekend work to meet deadlines (such as this document, which is being written on a public holiday). As there are no funds for a locum, the HACC DO finds it difficult to take holidays, particularly any more than two weeks in a row [MP].

- Streamlining of government accountabilities should include uniform paperwork & forms, including consistent language & processes. For instance, the HACC program is now administered by two levels of government (after previously being via ADHC), so that the funding SCCD currently receives is 68% Federal & 32% NSW. There are two sets of guidelines, funding agreements & compliance systems, with only CC Common Standards as the agreed process across the two, when the day-to-day work of the HACC DO is unchanged (except that she now has twice the amount of funding body information to read & explain to the HACC services who are her clients [MP]).

#### 5. *Re CC Common Standards*

- The process of completing a triennial self-assessment & then onsite visit for CC Common Standards isn't much different from the HACC Standards Monitoring Framework; some organisations have found it less time consuming due to reduced duplication in the questions. However, small organisations always find it tough to find time when staff are part time & overstretched to begin with. Standards preps are often done at home in co-ordinators' personal time & when complex work can be done uninterrupted. Also, the requirements around criminal checks are more extensive [MP].
- There is no indication that client access has changed [MP].
- There is no indication that the administrative burden has changed [MP].

#### 6. *Re varied funding sources*

- Funding applications are generally time-consuming &, once again, a duty on top of existing funded projects' workplans – it costs money to seek money & then to spend it. Small grants from Local Government have become easier, as Councils like Sutherland Shire understand the constraints on NGOs & try to assist & encourage small, volunteer-based organisations with succinct, user friendly processes. However, larger submissions can take many hours, often without success, making it a calculated risk SCCD can rarely take. Also, the funds available & parameters don't always allow for the additional costs of the HACC DO's time to recruit & supervise specialist project staff; the HACC DO only has limited time for special projects in her HACC-funded workplan & it can be difficult to recruit & retain suitably-qualified researchers for part-time & short-term work, so sometimes the organisation becomes motivated to seek further projects to keep someone once you have been lucky the first time. We have no 'spare' higher level staff at SCCD, so the reverse is also true; starting without the extra hands hard & if you lose someone mid-project, as we have recently done, it's even more difficult to get a replacement - & there remains a deadline & obligation to the funder, & risk to our reputation & future funding chances if we don't deliver [MP].

#### 7. *Re possible recommendations*

- In many instances, small providers have learned to be creative & innovative to achieve a lot with a little, but policy makers & funders don't get to hear about it, because they are too busy 'doing' than talking about their achievements, either in tenders & funding applications (see 6. above) & inquiry submissions (see our original submission, below), which we don't have time for, or glossy marketing campaigns, which we can't afford [MP].
- SCCD try to maximise their input by developing strategic alliances & carefully choosing our use of limited resources to focus on policy review opportunities. For instance, we have two key peaks memberships – the Council of Social Service of NSW (NCOSS) & Aged & Community Services NSW & ACT (ACS). Both provide clear & timely information for their members & with very professional, expert policy officers, have significant NSW influence & links to State counterparts to create National presence. NCOSS is particularly good at giving a voice to small NGOs & advocating to

government on our behalf & that of our vulnerable clients on a range of welfare issues; ACS have specific knowledge of/involvement in Federal aged care reforms, including the HACC Transition. Our HACC DO reads all newsletters & e-publications they distribute, which she passes on to the SCCD management committee when relevant, & initiates & maintains networking relationships with individual policy officers. She is an active member of NSW HACC Issues Forum (convened by NCOS) & ACS Community Care Advisory Committee; for two years prior to February 2012, she held the honorary position as Chairperson of NSW HACC DOs' Network. This profile, & a consistent commitment to speaking up & providing useful feedback whenever asked, has given the HACC DO & SCCD further opportunities to join working groups organised by such peaks & government, alongside much larger players [MP].

- One way to achieve balance is to have specified 'small NGOs' positions on advisory committees & to provide financial assistance for NGOs to release staff &/or pay extra hours for part time workers, cover travel expenses etc. Another is to be more available to go to NGOs & use communication technologies, such as Skype, rather than always expecting reps from small providers to travel to central locations that require additional time out of the office [MP].

8. *re NGO provision to high, complex needs*

- We have no reason to believe for-profit providers are any less willing or able than not-for-profit NGOs; the accountabilities of government funding, including CC Common Standards & Disability Service Standards, apply equally to all providers. If funding allocations were equitable & better reflected the real costs of providing service for complex clients (as discussed in our verbal submission on 10/9/12), maybe small for-profits, like small NGOs could offer great flexibility & variety to clients [MP].

9. *re staff recognition*

- The SCHADS Equal Pay Claim needs to be accepted & fully funded so NGOs can be competitive & employees of choice; it would also be useful to allow workers to carry benefits, such as Long Service Leave, with them if they continue to work within the same funding program areas, thereby encouraging continued tenure & retaining valued sector knowledge & expertise [MP].

## **ORIGINAL SUBMISSION**

***Inquiry into Outsourcing Service Delivery*** ([http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/C6782566488D81\(17CA2579B90006B615\)](http://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/C6782566488D81(17CA2579B90006B615)))

### **Who is SCCD?**

Based in Sutherland Shire in South East Sydney, Southern Community Care Development Inc. (SCCD) is a community-based, not-for-profit organisation. SCCD was formed in 2008, to work towards improving the quality of life and quality of care for people with disabilities, frail older people and carers. SCCD does not provide direct services to these groups, but is a community development organisation that conducts research and sector development projects to further four key principles:

- Information, referral, assessment and provision of appropriate services;
- Care co-ordination;
- Consumer rights and participation; and
- Quality Improvement.

SCCD receives funding from various sources, including core recurrent funding through the Home and Community Care (HACC) Program for Sutherland Shire HACC Development Officer, and one-off funding grants from HACC and Sutherland Shire Council during 2011/12 financial year for Sutherland Shire Community Care Information Project and Southern Sydney Centre Based Day Care Project, which also covers St George area. Individually and together, these projects aim to:

- Strengthen the capacity of the community care service infrastructure to deliver quality services, which respond to client needs, including special needs groups;
- Strengthen interagency and community relationships and understanding of community care;
- Promote better practice in the development of a strong cohesive community care system; and
- Provide information about relevant Government objectives, policy and guidelines to agencies and related care services.

SCCD currently employs three part-time staff and is managed by a voluntary committee of workers from local HACC and related aged, disability and community care agencies, including a private for-profit provider. Some management committee members are involved in SCCD as a part of their paid positions, others attend meetings in their own time; one member is currently retired. Further information about SCCD projects and its governance structures, including all policy and practice documents, can be viewed by the general public at [www.sccci.org.au/sccd](http://www.sccci.org.au/sccd).

### **Background to Submission**

The SCCD management committee and staff want to provide input to this Inquiry for two reasons, which also define the content of the following submission:

- we believe the Inquiry would benefit from hearing about the experiences of a very small non government organisation;
- we have considerable knowledge about the HACC Program and the community sector generally through our community development work since 1998 (extending from our origins in our umbrella organisation, Sutherland Shire Community Care Network Inc).

Due to time constraints and reasons detailed within the text, this submission is brief; however, we would attempt to provide further detail should the Inquiry Committee require it. Where possible, we have included Terms of Reference letters in brackets to assist readability.

### **Experiences of a small NGO**

With only one fulltime staff member and an offsite management committee, SCCD relies heavily on a multi-skilled worker to manage day-to-day operations of the organisation. As well as meeting the requirements of an annual workplan determined by the funding body, which involves providing policy advice to government and peaks and supporting 45 HACC-funded provider organisations individually and 100+ aged and disability providers through e-bulletins, phone/email/in-person consultancy services and several out-of-office meetings and presentations each week, the HACC Development Officer (HACC DO) supervises two staff, a contract bookkeeper, drafts internal policy, budgets, oversees work health and safety, payment of invoices etc. Her 35 hours is now classed as part time under the Social Community Services, Home Care and Disability Services Modern Award and pays considerably less than her counterparts in government, although she clearly has wider responsibilities than many of them (f). SCCD staff do not have an HR Department, IT support etc and, like many NGO workers, volunteer additional hours beyond what we employ them for. We would like to pay them more, but our funding does not allow it. Ironically, it is the width and depth of skills and knowledge that our HACC DO/Manager has, and her ability to manage the demands of her workload, that make her such as a good community development worker. She understands the challenges and needs of her NGO clients because she works daily within the same context as those who are struggling to provide direct services, to meet accountabilities for public monies and to continuously improve, while complying with legal, industrial and financial legislation, and also trying to be a part of government policy review and change (d).

Indeed, this Inquiry coincides with several significant issues for small NGOs like SCCD, including preparation for monitoring against the new Community Care Common Standards, reclassification of staff under the new Award, preparation for the HACC split to two contracts and the usual end-of-financial-year planning; at SCCD, we're also doing annual staff appraisals, client surveys, organisational planning, budgets and the normal cycle of policy reviews. There are other Inquiries we would like to give input to also, but do not have the resources (e). We therefore want to take this opportunity to urge this Legislative Assembly Committee to make some groundbreaking recommendations for future consultation and community sector capacity building, such as financial grants and incentives to enable small NGOs to have input and the opportunity to share with you the dynamic and creative models we see local community providers develop every day through the necessity of their meager resources. We are concerned that it is only the large, well resourced organisations who get to have their say and effectively direct government policy to their further advantage in Inquiries like this one (j), because they have available staff hours to write their own submissions, money to pay consultants or marketers, and they also often dominate the membership of peaks who are consulted by government. Indeed, our HACC DO often has the experience of attending State level meetings and consultations (after re-prioritising her workload at the last-minute) and finds that she is alone, or in a very small minority, of small NGO voices. This is particularly evident in Disability, which is dominated by very large and loud providers, who have significant influence.

### **Experiences of the HACC Program**

Sutherland Shire HACC DO, Melinda Paterson, has been in her current role for over 15 years and conducted several research projects related to the HACC Program prior to that. Since 1996, she has seen the transfer of HACC funding and administration in NSW from several departments to one, as well as the inclusion of the Home Care Service of NSW in the Ageing, Disability and Home Care Department (ADHC) and the transfer of service delivery between government and non-government providers at a local level. She strongly supports the need for a mix of government and non-government providers (a) to provide for the variety and complexity of service users' needs and choice. In Sutherland Shire, for instance, we know that for some people, the Home Care Service is their 'service of last resort', whether due to behavioural issues (because the Home Care Service has to take them and can draw on specialist staff or resources within the Department), specific staff skills or language (due to the size of its staff pool) or the fact that it is the only provider in some areas (c) where there is limited resource allocation, skills to meet certain needs and/or the 'market' is unattractive to other providers. Conversely, there are service users who need or prefer the care of a small, local NGO, including people from migrant or indigenous backgrounds who have had bad experiences with governments. It is worth noting, too, that large church-based providers can appear or function like bureaucracies and/or some service users do not

wish to access services with perceived or actual religious overtones. The HACC DO knows of instances where HACC service users have received uninvited phone calls from clergy employed by HACC providers.

In the HACC Program, there have clearly been advantages for the NGO providers of the funding body itself experiencing challenges such as workforce recruitment and retention, escalating costs etc. A number of responses originating in the Home Care Service and ADHC-run Disability services have been extended to benefit the whole sector, including OHS initiatives, training resources and policy documents; it is impossible to know, of course, if the Department would have helped the sector with these problems had it not experienced them firsthand. Again, on the flipside, there have been questions about probity and accountability (b) in relation to the funding body-as-provider. Previous Inquiries have heard, for instance, that the Home Care Service does not keep a waiting list, as other HACC services are required to, and appear to get funding allocated off the top of the State budget, while NGOs often have to tender for new funding and so-called 'viability funding' for all but the Home Care Service was abolished several years ago. Likewise, all HACC services are subject to quality monitoring and funding accountability processes (c), but there is a perception that NSW Health auspices are not treated with as much stringency as NGOs (i). It is also very common for people performing identical job roles to be paid much higher in Health and Local Government auspices than their counterparts in NGOs (f), which makes it harder to attract and retain workforce.



## **LEGISLATIVE ASSEMBLY COMMITTEE ON COMMUNITY SERVICES**

### **OUTSOURCING COMMUNITY SERVICE DELIVERY (2012)**

#### **SUPPLEMENTARY QUESTIONS**

##### **QUESTION 1**

A significant amount of time is committed by ANGLICARE Sydney every year fulfilling acquittal and reporting requirements. There are no perceived differences between State and Federal departments, though some specific departments within both levels of government are more efficient and streamlined than others. Any disproportionate amount of time spent on administrative and compliance matters by any not-for-profit organisation such as ANGLICARE Sydney is taken away from direct service activities for direct client service across all local communities and any costs incurred in compliance obligations in the case of the Not-for-Profit represents a direct withdrawal of spending on community services. As the template for most compliance and acquittal processes is similar across all government departments, a more efficient/standardised approach is called for (such as a common organisational template for the same processes).

##### **QUESTION 2**

Both small and larger service providers act on behalf of clients and local communities in NSW. While larger agencies may be perceived by some stakeholders in the sector as having a more significant impact on government policy development, this is usually due to the capacity and complexity of such organisations in providing a wide range of services in the community. Smaller organisations tend to be dominated by single-service stream operations, so their organisational capacity and breadth of expertise is more limited in most circumstances. Smaller organisations may also not be formed with a view to conducting advocacy and research as an integral part of their client services and hence they are not intentionally structured or resourced to deal with governments at the policy development and review level.

Integrated service delivery is a priority for ANGLICARE Sydney and reflects both a philosophical commitment to holistic care for clients as well as a practical approach to better coordinating more efficient and effective services across many service types. As a larger organisation in the sector, ANGLICARE Sydney is also involved in a range of consortia with smaller organisations that allows more targeted and localised service delivery.

### **QUESTION 3**

Traditionally the Community Care and Aged Care sector is a female dominated sector. There are significant skill shortages in the sector and we currently are using a number of strategies to address the skills shortage aimed at men and women. The female dominance of the sector is something that begins with university enrolments into social and health sciences and cannot only be addressed at the beginning of the employment pathway. To increase awareness of our sector our recruitment and Learning & Development teams make numerous visits to the larger Sydney universities to run career and volunteer information sessions. These have been very well attended. Our statistics gathered on the gender of applicants now show that 33% of all applicants are male compared to our current employed percentage of only 15%.

Over the last 2 years, we have centralised our recruitment and have become far more strategic in who we employ and how we attract the most suitable candidates for each role.

We have actively supported the Equal Remuneration Case to increase wages in the sector and believe the increased wages will make the sector more attractive to both men and women.

### **QUESTION 4**

#### **Part A**

ANGLICARE Sydney has a long history of volunteers working alongside our paid staff. We currently have 1,545 paid staff and 1,697 volunteers. In our most recent annual report, we conservatively estimated that volunteers contribute approximately \$17 mil worth of value to service delivery at ANGLICARE Sydney.

We have been intentional in improving our volunteer recruitment and management processes to ensure that people who want to volunteer with ANGLICARE Sydney are treated respectfully and that they have the right skills for the role they are applying for. In practical terms this has meant that we have employed a volunteer manager and a volunteer recruiter, whose role is to ensure that all the best recruitment practices that we apply to employed staff are also applied to our volunteer staff.

We have also invested in a recruitment data base which we use for our volunteers as well. All our volunteer roles are advertised on Seek and our website and are scoped carefully listing the experience and skills required. Volunteering is promoted at university career fairs and volunteer expos. Our volunteer roles include the full scope of hands on practical roles to professional roles, attracting all age groups and a diverse range of experience.

## Part B

In regards to retention we have negotiated enterprise agreements with our retail and aged care staff. ANGLICARE Sydney staff consists of 85% women and 15% men and approximately half our staff are part time. The high percentage of voluntary turnover I believe is partly due to the high percentage of female staff and their greater take up of non-paid carer roles within their families of children, elderly parents, grandparents and grand-children. In order to assist staff in balancing these responsibilities, we have tried to make the workplace as flexible as possible. Our Enterprise Agreements have included benefits such as:

- Early access to Long Service Leave;
- Ability to 'cash out' leave;
- Ability to purchase extra leave;
- Grand-parent's leave (5 days);
- Flexibility.

We are also involved with the Mature Aged project promoted by the Federal Government to assist mature workers to remain in the workforce as long as they wish to work. We have put up our hands to be Corporate Champions for this project. Strategies within this project consist of ongoing education and training, attention to role design and financial and career planning.

ANGLICARE Sydney are also participating in the Health Workforce Australia project titled "Chesalon Workforce Reform Project", whose objective is to establish:

- a. Sustainable workforce structures, models and supports;
- b. Professional practice teams and support structure; and
- c. Necessary education and training

that facilitate ongoing best practice outcomes in palliative care, dementia care and pastoral care needed to meet the increasing complex care needs of Chesalon (the brand name under which ANGLICARE Sydney operates its aged care specific services) residents and clients.

In addition to these two significant projects, ANGLICARE Sydney have an in-house Learning and Development Team which runs a suite of programs including a Graduate Development Program, a Professional Development Program and Leadership Program, called YLead. The Learning and Development Team also administer a significant Trainee Program which includes Certificate III and IV qualifications.

## **QUESTION 5**

ANGLICARE Sydney is heavily dependent upon the donations, legacies and bequests gifted to the organisation in support that we can deliver to our vision, mission and strategic goals. These resources come in the form of goods including food and clothing, cash, occasionally property and significantly in donated volunteer hours. Investment income is also directed to this cause. A significant portion of non-government income is applied to funding shortfalls in government programs and indeed complementing and integrating service outcomes. The impact on the organisation having to undertake fundraising is a positive one in the sense that it inspires the wonderful things that transpire from the act of giving. Administratively, fundraising also requires the servicing of a targeted activity to communicate the need to those who can help and to collect and allocate resources received. Without these funds our service delivery into government programs would be deficient and non-sustainable. This subsidising activity also prevents us from extending our activities in non-government funded initiatives such as some areas of counselling and research and advocacy on social development issues.

Funds are raised through relationships and events (such as the winter appeal) established within the community and are complemented with the use of technology platforms supporting the communication of the need and practical ways people can help. Donations can be made to our secure web based system. Sound governance and compliance to policy directs the application of funds. Processes are enforced through our Council, Council sub-committees and operational teams in both collecting and administering funds. Specific appeals require specific application and measured and reported outcomes. These are independently audited. Generically collected funds are channelled into various programs based upon the mandates assigned within the organisation.

## **QUESTION 6**

ANGLICARE Sydney does not engage the services of street fundraising companies. A limited trial of this type of fundraising was attempted in 2005 but this was not adopted as a practice and we do not support this as a fundraising method.

## **QUESTION 7**

As outlined in the response to question 5, ANGLICARE Sydney operates support activities and services beyond those funded by government. Many of these activities engage with those in the community having a need for care and help. These activities involve caring, researching, analysing and communicating important social “issues” messages. They establish forums to raise awareness and communicate where and how individuals and

organisations can help and mutually benefit. Further targeted funding with selective partnership and sponsorship would in principle build a path to greater outcomes in these activities. As a Christian organisation we are cautious about building alliances and sponsorships which may or may be perceived to hamper our “prophetic voice”. While we are not driven to build the goodwill associated with and the value of the “Anglicare” brand, we would be concerned about the value destruction which could occur through alienating our major stakeholders and supporters by inappropriate co-branding or sponsorship.

One of the great strengths of ANGLICARE Sydney is its diversity and its passion about identifying unmet need and seeking to meet such need. This by definition keeps ANGLICARE Sydney a broad, generalist community services organisation (which still does have professional strengths and core capabilities in service lines). It can therefore be a challenge to advertise and educate the community about ANGLICARE Sydney – this is more challenging than a community service agency with a single focus for example.

It is suggested that government should continue to promote the awareness of volunteering opportunities and perhaps move to more obvious endorsement of those organisations like ANGLICARE Sydney which are wholly devoted to community service, without the distraction of member benefit functions.

## **QUESTION 8**

ANGLICARE Sydney is aware of the role of Social Impact Bonds (“SIB’s”) and is actively investigating their relevance and capacity to enhance our client delivery models. As there is currently little evidence of how these bonds impact on the not-for-profit sector in Australia (their use is primarily in other countries at the present time), ANGLICARE Sydney will wait with great interest for more evidence before committing any resources in this direction.

ANGLICARE Sydney is interested to engage in business modelling concepts , research and discussion of this medium of access to funding to be able to identify and deliver on services to those in need in the community. The traditional intellectual and practical challenges of aligning service delivery models of not-for-profit, faith based charitable institutions with their values and missional objectives and those of government and extending the challenge to a potential new breed of investors is not without complexity.

ANGLICARE Sydney is certainly open to exploring these prospects further. Post the global financial crisis, confronted with a significantly reduced non-government funding horizon, there is a compelling need to be innovative. Funding solutions will need to accommodate increased complexity in providing care and service to a diverse needs base in the community.

Reservations arise with the practicalities of entering into SIB’s. These could be identified and reviewed in the context of the objectives of establishing the ACNC and possibly related recommendations from the Productivity Commission inquiry such as: red tape reduction,

information gathering, levelling of reporting outcomes. If allowed to be constructed in isolation, engaging into SIB's could require a new and different arrangement of application, performance measurement and evidencing compliance. ANGLICARE Sydney supports further exploration and analysis into this instrument.

## **QUESTION 9**

As the objective of the WA Partnership Forum is to bring together leaders from state Government agencies and the not-for-profit community sector to improve outcomes for clients, its planning and service model is an approach that ANGLICARE Sydney would be interested in participating in at some stage in NSW.

Any organisational approach that creates strong and genuine partnerships built on respect and a shared responsibility is of merit in the not-for-profit sector, especially if it develops a set of principles and behaviours to govern and facilitate the Government and not-for-profit community sector partnership in policy, planning and delivery of community services. ANGLICARE Sydney would be interested in consulting with the NSW Government about the future development of this model in this state.

**GRANT MILLARD**

**CHIEF EXECUTIVE OFFICER**



Supplementary Submission to the Outsourcing  
Inquiry following the public hearing on 10 September 2012

5 October 2012

**NSW Federation of Housing Associations' answers to additional questions posed by the Committee on Community Services following the public hearing on 10 September 2012**

NSW Federation of Housing Associations thanks the Committee for the opportunity to provide evidence during the public hearing on the 10<sup>th</sup> September 2012 and for the opportunity to provide additional information in this supplementary submission.

Our answers to the Committee's questions are provided below.

**1. The submission recommends that the Government should pursue the outsourcing of housing services to the non- Government sector (p9). The Deaf Society of NSW has argued that outsourcing community services can result in cost cutting and a reluctance to implement procedures to cater for clients who have disability (Submission 23, p3). Other individuals have argued that privatising services generally results in a lower standard of care being provided to clients (Submission 37). How would you respond to the claim that outsourcing community services to non-government organisations can result in cost cutting and a lower standard of care being provided to clients?**

The clearest response is that community housing has been operating for over 30 years in NSW and so the evidence on service quality is available. The Australian Institute of Health and Welfare (AIHW) has been undertaking independent customer satisfaction surveys of community housing and public housing tenants nationally for over a decade. Community housing has always returned a higher satisfaction rate than public housing. The 2010 survey results have recently been released.<sup>1</sup> In NSW, overall satisfaction rates were 89% for community housing and 87% for public housing. While these are comparable, the proportion of satisfied tenants who were 'very satisfied' is significantly higher for community housing – 57% compared to 48% in public housing. This was reflected in all the more specific areas of satisfaction – condition, amenity, service provision, and maintenance. The satisfaction rate for service provision was 77% for community housing and 64% for public housing. There were almost twice the proportion 'very satisfied' and half the proportion 'dissatisfied'.

While this provides the evidence that service provision has **not** been lower as result of the 30 years of outsourcing to community housing, we should not be surprised. The sector's explicit mission is to provide high quality services. The general claim that outsourcing risks lower service quality usually depends on two arguments – neither of which applies to community housing. The first is that when services are outsourced to the private sector, the need to make a profit from such services puts greater cost pressures on the provider and increases the risk that this will lead to lower service quality. This argument simply doesn't apply to not-for-profit services. A second argument is that is that government has deeper pockets to manage the risks of providing services for very low income clients, and transferring that risk to community housing providers increases the risk to viability and service quality. Again, while community housing providers must place a far more disciplined and explicit emphasis on risk management, in the case of social housing they have access to higher income streams that the public sector as their tenants are entitled to Commonwealth Rent Assistance. Community housing providers have lower cost pressures than the public housing system.

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<sup>1</sup> Australian Institute of Health and Welfare 2012. *National Housing Survey: State and Territory Results 2010* Cat. no. HOU 264. Canberra: AIHW



A final, but very important point is that the community housing sector is subject to a regulatory regime and service standards that simply do not apply to the public sector.

**2. The Committee has received submission from a range of for profit and not for profit organisations in the NGO sector. Given the financial imperative of for profit providers, do you think there are certain services which would not benefit from being delivered by for profit organisations? If so, how would you differentiate between organisations in the transfer of services to the NGO sector?**

The arguments noted above suggest that there are greater risks in outsourcing to for-profit services. It is sometimes argued that this is off-set by efficiency gains. However, there is little evidence of economies of scale in social housing management, let alone services provided to clients with complex needs. The evidence of significant failures abound, the most spectacular being the ABC child care group.

Community housing providers supply a range of services from housing and housing services aimed at sustaining tenancies for very vulnerable or complex needs clients, through to general social housing for very low income households, to affordable housing for low and moderate income households excluded from the rental market. In some jurisdictions it also includes some home ownership products such as shared equity. In addition to these, community housing providers provide additional services aimed at increasing the engagement by their tenants in social and economic life and opportunities – including increasing their access to a range of specific support services and improving the wider community opportunities and amenity.

There are examples of for-profits supporting the latter ‘community development’ activity. This is particularly the case where this improves the marketability of market product in mixed developments. It is not the case that they have any similar track record in brokering access to support services for tenants with high and complex needs.

On the spectrum of providing social and affordable housing in a way that supports and sustains tenancies, it is our view that the risks of inadequate service provision is too great for for-profit housing providers to manage either housing for people with complex needs or general social housing for people with very low incomes. It may be more appropriate for them to play a role in the provision of subsidised ‘affordable’ housing – although it should be recognised that the higher compliance requirements and compliance costs are an area of some risk when relying on for-profits.

We have not been discussing the provision of specific models of supported accommodation. The risks and cost pressures for for-profits in these areas will depend entirely on the funding and subsidy models.

**3. The submission argues for the transfer of management of public housing tenancies to the community housing sector. Would the sector be prepared to undertake the management of all public housing tenancies? How would this transition be managed most efficiently? Do you think that Government should remain as a housing provider and act as a safety net to ensure that the needs of the most disadvantaged are not overlooked?**

The sector would be prepared to undertake the management of all tenancies currently managed by the public housing system. This would mean quadrupling the size of the sector and would therefore need to be undertaken over a period of time.

Over the past five years, the sector doubled in size and providers developed the organisational structures, the business systems, and acquired the required areas of professionalism both within management, staff and boards. One has grown by almost five times over that period and a number have almost tripled. As the capacity of the organisations has been built and the organisational structures and change management processes established, the capacity to absorb growth increases. As a result, the Federation feels confident that the sector could grow at least the same rate. This would mean that the whole public housing portfolio could be taken on over ten years. However, this is a conservative estimate. Given the experience of those that have tripled their operations or more over the past five years, and given the very robust regulatory and performance oversight in place, a period of five years would appear to be feasible. This would require growth of around 33% per annum.

However, the Federation is also supportive of a mixed model, with some of the transition being undertaken by devolving the management of existing areas of public housing to the existing public housing structures to operate as independent not-for-profit providers. This removes the impact of transfer, but would entail considerable restructure of all back-office functions and a significant cultural change. For this reason such an approach should only be a modest part of the picture.

While there is no recognised benchmark, international observations suggest to us that community housing providers operating at a scale of between 5,000 and 10,000 tenancies provide the highest level of service and viability. The 12 largest providers currently manage between 1,000 and 4,500 tenancies and provide a strong platform for growth through transfer. A further 5 (mainly) regional providers are near that scale and have significantly geared up over the past five years.

However, it is important to say that the simple transfer of the management of tenancies without the assets is unlikely to provide an appropriate solution. While there are some financial benefits to management transfers and improved service to tenants, unless the change enables growth in the system to better meet need, it can reasonably be seen as simply shuffling the deck-chairs. Federation members are not in the business, simply to increase the size of their operations. Equally, it is unlikely that they would accept the risk of creating substantially larger enterprises, ultimately with no control over the assets that generate the required income streams. The transfer must be an ownership transfer.

The Federation does **not** support the proposition that Government should remain as a housing provider to act as a safety net to ensure that the needs of the most disadvantaged are not overlooked. Across all human services it is widely recognised that the public sector is the least well placed to directly provide services to the most vulnerable. Such service provision requires a highly

responsive and individualised approach. The public sector is designed to deliver uniform generalist services. The cost of providing access to services across the whole state would also be prohibitive.

But more importantly, to expect the public sector to be left with the most residualised part of the system and to provide the most intensive management, is simply setting public housing up to fail. The needs of tenants with the highest needs should be met across the system, some providers should be able to develop service approaches to specifically meet their needs, and the whole system should play its part. The needs of the most vulnerable and challenging tenants will best be met in a whole of community approach based in local communities.

**4. It has been argued (by the Mountains Community resource Network, Submission 69, p3) that the rapid transfer of public housing stock to non-government organisations can result in efficiency losses and customer service issues, as a result of staff being insufficiently trained, prepared and experienced to work with a larger number of properties and clients. Are you aware of any problems being encountered by housing providers following the transfer of public housing stock? What mechanisms can be implemented to avoid such problems in the future?**

The Stock Transfer Program has been one of the three major NSW government initiatives to grow community housing in NSW, and it has been undertaken in the financial years 2009/10 and 2010/11. According to Housing NSW Stock Transfer Program Communiqué, the total of 3,000 properties was transferred from Housing NSW to community housing providers to manage in that period. It should be also noted that the transferred properties were tenanted, which meant that these tenants have become community housing tenants. Tenants had to give their consent to transfer of their tenancies to community housing providers. The stock transfers program was one of the three significant initiatives under the Planning for the Future 2008 -2013 to grow community housing sector, other two being the Economic Stimulus package – Social Housing; and the National Rental Affordability Scheme (NRAS).

The immediate response of community housing providers in preparation for the growth of this scale was to increase and enhance their organisational capacities and expertise in housing and property management and business management. According to the NSW Federation's workforce data, the workforce has more than doubled in two years to July 2011<sup>2</sup>. As it can be expected, the majority of new workers were employed in property and tenancy management.

In the same period, the Federation has delivered a series of projects funded by Housing NSW to meet the sector capacity needs. Workshops were held to consider strategy and risk management and CEO leadership from the anticipated growth. Resourcing tools were developed from these workshops. The Federation has also developed the suite of human resources strategies and consequently increased delivery of accredited training and professional development opportunities to community housing employees and directors.

The Federation notes that the allegations made in the Mountains Community Resource Network's submission specifically refer to only one community housing provider. The Federation also notes

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<sup>2</sup> NSW Federation of Housing Associations (2011). *Community Housing Workforce – Report on the 2011 workforce survey findings*, NSW FHA 2011. Available at: <http://www.communityhousing.org.au/resourcebank/services-a-resource-bank/resource-bank/func-startdown/501/>

that provider has lodged a separate submission to the Committee on Community Services in response to the Mountains Community Resource Network's submission. In their response, they have addressed specific concerns raised by the Mountains Community Resources network, mainly efficiency losses and customer service issues.

The Federation acknowledges that there will always be instances of less than satisfactory service delivery in every organisation. It is also the case that the risk of this will increase in periods of rapid change. It is also the case that where such change takes place, clients and their advocates will be more prone to perceive change as problematic. But that being said, community housing – and certainly this provider – have gone to considerable lengths to manage these risks and perceptions, and to ensure the best outcomes for tenants.

We are not in a position to examine anecdotal claims, or to explore whether the performance of the public housing provider was any better over a period of time. However, we do not believe that such claims are evident or significant across the system, despite the very substantial level of transfer that has taken place.

**5. How is tenants' participation currently encouraged in the community housing sector? What benefits have been observed as result of the development of more involved and participatory groups of tenants?**

Tenants' engagement and participation is a core business of community housing providers. Community housing providers have a long history of engaging tenants as members and directors of their housing associations, as a way to provide tenants perspectives to the overall management of the organisation. Tenant participation is defined as a two way process involving the sharing of ideas, information and power (UK TAPS)<sup>3</sup>. This means involving tenants and their landlords working together to improve housing conditions and housing services. This also translates into providing opportunities to tenants to get involved as individuals and collectively as part of accountable and organised group. The guiding principle of tenant participation is that tenants' views and input help shape and improve services and this also makes a good business sense.

In NSW and nationally, tenant participation is recognised as one of the signposts of best practice and it is encouraged by regulators and public housing authorities. The National Community Housing Standards define tenant participation as encouragement to provide feedback and become involved in decision-making on issues which affect tenants or their tenancy (Standard 3.2 "Tenant Participation")<sup>4</sup>. Community housing providers engage their tenants in service delivery, and the practice varies across different providers, depending not only on regulatory requirements but also on the level of community development and an organisation's historical engagement with their tenants. Tenants' satisfaction surveys are used annually or bi-annually to gauge tenant overall satisfaction with their landlord and this is also a regulatory requirement. Many housing providers

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<sup>3</sup> TPAS Manifesto for Tenant Participation in the UK, available at: [www.tpascotland.org.uk/pdf/TPAS\\_Manifesto1.pdf](http://www.tpascotland.org.uk/pdf/TPAS_Manifesto1.pdf) also adopted in the Federation's Tenant Participation Good Practice guide Good Practice Guide

<sup>4</sup> Housing NSW and FAHCSIA 2010. *The National Community housing Standards Manual* Third Edition, Housing NSW 2010. Available at: <http://www.housing.nsw.gov.au/NR/rdonlyres/1B44D24A-1D20-4285-A2DE-3328597CECB7/0/AccreditationStandardsManual.pdf>

also have written policies and documents in place outlining their approach to tenants' participation, engagement and community development.

The Federation of Housing Associations has consistently enabled successful tenancy participation and tenant engagement practices in the sector by providing training, best practice guidelines and resources for community development workers employed in the sector. The Federation also convenes the Community Development Network, made up of community development officers from medium to large community housing providers, as well as the Community Housing Tenants Advisory Group. The network has been active since 2005. The increased attention on tenant engagement and participation is reflective of the sector's growth over last two years, and is direct result of greater specialisation of roles within the industry.

By actively engaging tenants, either in direct governance or as consumers, community housing providers are able to respond to the needs of local neighbourhoods. Tenants are knowledgeable about the communities they live in, and they can provide feedback on problems with property design and maintenance, and potentially minimise costs. Tenants will usually be the first to identify sources of anti-social behaviour and have active interest in addressing their community needs.

Some of the characteristics of tenancy participation approaches in NSW are as follows:

- There are a variety of approaches being used by the five largest community housing providers, ranging from tenant advisory groups, tenant block meetings to tenants being involved as directors;
- Tenants are represented on the board of 4 out of the 5 largest community housing providers in NSW;
- There is evidence of considerable innovation in terms of involving tenants, with a mix of formal and informal structures.
- To date, tenant involvement initiatives have been largely initiated by the providers themselves, rather than being required through regulation or as terms of large scale stock transfer which was the case in Britain. This may change in the future, particularly if community housing sector moves towards national regulatory system.<sup>5</sup>

## **6. Is the use of borrowed funds to obtain housing stock common practice, and how supportive are financial lenders of this practice?**

The use of debt finance for community housing is relatively recent in Australia and even more recent in NSW. It depends on providers owning the assets to secure any debt – something which has only just become possible. That being said, some other jurisdictions – particularly Victoria – have been using debt finance to leverage a significant program of public investment for some years. Similarly, NRAS subsidised developments have included debt finance for the past two or three years.

But to date this has been relatively small scale and, as an asset class, is new to Australian lenders. In the UK where debt finance was the objective of Government, over the past 30 or so years since changes in the Housing Act, over 30 billion pounds has been lent into the sector. Many Australian

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<sup>5</sup> Elton Consulting 2011. *Tenant Participation*; Kinetic White Paper Series, Kinetic Information Systems 2011. Paper available at: <http://www.kineticis.com.au/white-papers/community-housing/tenant-participation/>

banks have operations in the UK and knowledge of that experience. Following the GFC, loans to housing associations proved to be among the most secure.

In Australia, lenders have been systematically introduced to the product, with the support of government. Most lenders now are doing business with community housing providers and some, such as Bendigo Bank and Bank MECU, have deliberately specialised in it.

That being said, champions within the banks who have won the support of (and facilities from) their credit departments, have expressed concerns about the uncertainties and delays in finalising much of the proposed lending resulting from delayed government decision making.

Debt finance is essential to provide the desperately needed increase in supply to respond to a critical shortage of housing affordable to low and moderate income earners, particularly vulnerable households. Policy certainty is a prerequisite of achieving this at an appropriate cost and scale. Such long-term policy certainty must be a feature of all future (and present) Government housing decisions.

## **7. How are formal supports agreements between community housing providers and local support providers established and are these agreements encouraged or supported by the NSW Federation of Housing Associations?**

As at 30 June 2012 it is estimated that there are approximately 4,400 properties to which support services are provided across the community housing portfolio, representing approximately 16 per cent to the total community housing stock. The latest available data on community housing tenants show that there is a high incidence of disability (physical, intellectual, psychiatric and other types) in the community housing tenants' profile – 17 per cent (or 6,280 tenants)<sup>6</sup>.

Support is provided through state wide support partnership programs, formal/local support partnerships or through informal support arrangements. Support partnerships between community housing and support providers are crucial for well-being of tenants with disabilities or high needs as they enable them to receive support in place and also to sustain their tenancy in the long term.

As there are many different types of support partnerships, their formation will also depend on the organisations involved in partnerships. Many support partnerships are initiated and supported by a government agency, for example Housing and Accommodation Support Initiative (HASI) is a partnership program between Housing NSW, NSW Health, NGO Accommodation Support Providers (ASPs) and community housing providers. HASI partnerships have been initiated by high level agreements between two lead agencies, Housing NSW and NSW Health. At a service delivery level, a community housing provider and a support agency enter into a partnership by signing a service level agreement or a memorandum of understanding.

The Federation has always supported its members in formation of these partnerships by providing resources, template agreements and practical advice.

More detail is provided in our answer to Question 9 below.

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<sup>6</sup> Community Housing Division 2008/2009 Annual Community Housing Data Collection – Summary Survey Information as at 30/6/2009. Available at: <http://www.communityhousing.org.au/resourcebank/services-a-resource-bank/resource-bank/func-startdown/69/>

**8. Do you consider that housing providers would be more inclined to expand interstate with a national rather than a state based registrar? Do you think that a national regulator would facilitate greater willingness by financial institutions to assist with funding/investment?**

The role of regulation was critical to success of community housing providers and it will continue to be crucial to enable access to finance at an effective price. While the community housing sector is still relatively unknown and affordable rental housing is not a recognised asset class by banks and private investors, it is essential to remove unnecessary complications in introducing lenders or investors to the product. Experts have argued that a lack of nationally consistent regulation has been an inhibiting factor in community housing sector expansion<sup>7</sup>.

Robust data about the sector is a crucial requirement for establishing the risk profile of the community housing sector and reducing the cost of funds, and national regulation is one of the main sources of such data. Appropriate regulation can be a significant driver in reducing the cost of funds as the experience from the UK shows, where introduction of regulation led to reducing the borrowing cost of capital for 100 basis points<sup>8</sup>.

The regulatory approach adopted in NSW has provided a risk based approach that balances one of the most robust systems of providing assurance about the viability, governance, and service delivery of providers in any part of the human service system in Australia with a proportionate approach that is sensitive to regulatory burden and risk.

The sector has also been advocating for a single national regulator since 2005 to enable the sector's growth and to reduce regulatory burden for providers operating in more than one jurisdiction. The movement towards the national regulation is now well underway and the new national system is expected to begin in 2013.

The National Regulatory System is designed to encourage the development and viability of community housing, to facilitate investment in the sector by promoting confidence in the good governance of community housing providers and reducing regulatory barriers and burdens to providers who currently, or plan to, operate in more than one jurisdiction.

**9. Why are partnerships with service providers preferred by community housing providers over a full service integration model, as referred to in your submission? Does the Federation of Housing Associations or any other body currently provide support to encourage the creation of partnerships between service providers and community housing providers?**

Community housing providers have been operating in close partnerships with wide range of support providers, rather than providing a full service integration model. The partnerships with support providers are essential for sustainability of tenancies, and are preferred model in the community

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<sup>7</sup> Milligan V, Gurran N, Lawson J, Phibbs P, and Phillips R 2009., *Innovation if affordable housing in Australia: Bringing policy and practice for not-for-profit housing organisations together*, AHURI Final Report No. 134, AHURI, Melbourne

<sup>8</sup>Barbato C, Clough R, Farrar A, and Phibbs, P (2004), *Could regulating community housing make a difference to affordable housing?* AHURI Research and Policy Bulletin Issue 34, AHURI, Melbourne

housing sector. Community housing system has always targeted special needs groups and households with very high needs and the recent successes in winning competitive Commonwealth tenders (the Supported Accommodation Innovation Fund) will see community housing providing more housing for people with disabilities.

Specific support services are almost always delivered by specialist agency, external to the housing manager, and this is the preferred model, both to ensure that the level of expertise required is available and to guard against conflicts of interest that may arise between an appropriate standard of tenancy management and support provision. In the case of smaller community housing associations, sometimes it is not financially possible to deliver full range of support services in-house. Nonetheless, the housing management required for tenants with special needs is at a different level to that required for general tenancies. It includes expertise in managing relationships with support providers and brokering in the range of support services needed by tenants.

There are some emerging examples in community housing that would generally classify as service integration models, and are in early stages of exploring the full benefits of service integration. These are undertaken mainly by large community housing providers, and are arising from the 'housing first' approach in resolving homelessness to youth refuge service for adolescents at risk of homelessness. While service delivery is provided in-house by a community housing provider, partnerships with support agencies are absolutely critical for successful outcomes for clients, and usually involve a number of specialist agencies as partners. In the case of Wentworth Community Housing, for example, the number of active partners is more than eighty, operating across three large local government areas (Blacktown, Nepean and Blue Mountains LGAs) and delivering a supportive housing service for people and families experiencing chronic homelessness. The number of partnerships and multi-layered service delivery models are powerful statements as to the capability of community housing providers to adopt innovative approaches in resolving the most pressing needs of vulnerable clients.

As outlined above, support partnerships with support agencies are absolutely necessary to sustain tenancies of tenants with complex needs or who need a high level of support. Historically, numerous support partnerships have arisen organically, as a result of strong community links that housing associations have in areas where they operate. The Federation has always provided support to formation and maintenance of such partnerships, by providing best practice guidelines on forming support partnerships, formal service level agreements and providing practical advice to its members in maintaining good relationships with support providers. The Federation also has formed memoranda of understanding with other peak bodies representing support providers, most recently with Homelessness NSW.

It is also a regulatory requirement for support partnerships to be in place where they are needed. The regulatory code of practice prescribes that the registered providers have systems for monitoring and maintaining support arrangements, including monitoring and reviewing formal support arrangements (Performance requirement 2.1: "Support arrangements for residents").

Similarly, the adequate support for tenants to sustain their tenancy is also present in the National Community Housing Standards which prescribe that tenants have access to relevant support to help manage and maintain their tenancy. (Standard 4.1: "Tenants' Access to Support").



**10. According to its submission, the NSW Federation of Housing Associations is a leading provider of social housing training in Australia and provides accredited vocational training and qualifications in social housing. How widespread is this training within the community housing sector? With more workers joining the sector (a 42% increase in 2010/11), are you of the view that social housing vocational training should be more widely provided?**

The Federation, through its Centre for Training in Social Housing, has over last two years significantly expanded its reach as leading provider of social housing training in the VET sector. The Federation has delivered accredited qualifications (Certificate IV in Social Housing and Diploma in Social Housing) to students from both community housing and state housing authorities not only in NSW, but also in Tasmania, ACT and Queensland. In 2011/2012, the total number of students from community housing participating in our accredited training was 251, which is approximately 35 per cent of the total NSW community housing workforce<sup>9</sup>. In addition, the Federation has delivered non-accredited training to 187 community housing employees in areas of housing and asset management and media and communications. In addition, we have also delivered professional development sessions in the area of governance and strategic management in the 2011/2012. These sessions were attended by 25 sector directors and senior managers.

We are of the view that the Federation will be providing more accredited and non-accredited training in the near future in line with the growth of the sector, both to support the capacity of its members as well as to provide professional development opportunities.

**11. The submission makes the point that private sector engagement through connections with local business in an important source of positive social outcomes, such as the employment of tenants in local businesses. How are connections with local small business encouraged and how extensive are such connections within the community housing sector?**

To date, community housing providers as social enterprises have a moderate level of engagement with local business in areas where they operate. From these engagements, they often leverage additional social outcomes from the private partners.

Tenant employment is a good example of such partnerships with local businesses. At the simplest level, most community housing enterprises have contracts with local maintenance contractors or local builders. Increasingly, conditions of these contracts will include a requirement to employ tenants as part of the work. It should also be noted, that the flip side is that community housing enterprises often provide the stable floor of business for local businesses to enable them to be sustainable in smaller communities and to increase their employment in that community. Small businesses were also very supportive of community housing providers, not only in providing employment opportunities for tenants, but also providing funds for tenants' scholarships and bursaries every year.

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<sup>9</sup> As at 1 July 2011, the total number of employees across 27 community housing providers was 719 (Community Housing Workforce Report 2011, available at <http://www.communityhousing.org.au/resourcebank/services-a-resource-bank/resource-bank/functionstartdown/501/>.)

**12. The Federation notes that community housing enterprises are increasingly becoming involved in partnerships with private developers in order to provide new housing (p. 22). Could potential risks result from the creation of closer linkages between community housing enterprises and commercial property developers?**

The Federation considers that the partnerships between community housing providers and private developers are strategically important. These connections potentially add considerable value in terms of harnessing development expertise and development opportunities to provide new housing, and they bring community housing providers and developers together into development projects. Such partnerships will inevitably carry risks. However, it is the explicit task of community housing providers to identify and manage these risks tightly to ensure that there is a very clear analysis of any probity risks. Community housing providers have taken risk management very seriously as a core part of their business. Community housing regulator also includes risk management as the key performance outcome necessary for annual registration of providers<sup>10</sup>.

**13. In addition to information already requested at the hearing, can you also provide a response to the following: What level of coordination exists within the HASI program between your organisation and other service providers? Do you consider the level of wrap around services for HASI clients to be adequately monitored and catered for?**

The HASI program comprises an agency partnership program between NSW Health, Housing NSW and the non-government organisation sector. The Federation understands that HASI supports over 1000 mental health consumers across NSW living in social and private housing and ranging from very high support (8 hours per day) to low support (5 hours per week) levels. The Federation submits that there are 358 properties with community housing providers that are dedicated to HASI program, or approximately 1.23 per cent of the community housing portfolio. Community housing properties are allocated to consumers with low, high and very high needs.

The coordination of HASI program is not our core area of expertise. We have consulted with some community housing providers involved in the program and we understand that community housing provider – partners in HASI have generally positive working relationships with their local support service providers. The providers have told us that there is in general less contact with community mental health teams (clinical services). The problems may emerge in situations where clients disengage from supported services due to the fluctuation nature of mental illness.

The Federation also notes the recently completed HASI evaluation conducted by the Social Policy Research Centre<sup>11</sup> for the NSW Ministry of Health showed that most people using HASI support experienced improved quality of life and wellbeing since participating in the program. The evaluation

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<sup>10</sup> Registrar of Community Housing 2010. *The Application and Evidence Guidelines. Performance Area Five: Standards and Probity*, The Registrar of Community Housing 2010, available at:

<http://www.rch.nsw.gov.au/NR/rdonlyres/D21E2A02-FCB8-4C8B-889C-392A777E5D01/0/Item4forWeb.pdf>

<sup>11</sup> Bruce, J., McDermott, S., Ramia, I., Bullen, J. and Fisher, K.R. (2012), *Evaluation of the Housing and Accommodation Support Initiative (HASI) Final Report*, for NSW Health and Housing NSW, Social Policy Research Centre Report, Sydney.

also found that overall, the HASI service model operated well to provide an integrated response to its target group. The partners have established effective mechanisms for coordination at the state and local levels. The Federation considers this to be a very positive outcome.

## **Mission Australia's response to the questions following the public hearing on 10 September 2012**

### **NSW Legislative Assembly Community Services Committee Inquiry into the Outsourcing Community Service Delivery**

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- 1. The submission notes that 'to facilitate major investment into the revitalisation of poorly performing public housing estates, partnerships with developers, builders and banks on a scale not seen before in Australia are likely to be next on the agenda.' (p4).**

**Can you explain in more detail how you see such relationships developing and what role Government has to play?**

The level of investment required to upgrade and renew the existing circa 135,000 public housing dwellings in NSW will be significant. In addition there is the cost of new supply, and broader affordable housing stock. The costs for the repairs and delivery of these homes cannot realistically be borne by Government alone.

Partnerships which strategically position Community Housing Providers (CHP's) as a conduit between the Government and the private sector (particularly in the UK) have a successful track record of "layering" several areas of investment in order to deliver a broader and more socially and commercially sustainable outcome. Examples are partnerships which layer Government land/existing stock; debt finance raised from CHP's based on surplus rental streams; planning gain; cross subsidisation from increases in density and delivery of broader affordable and market housing.

Government have a significant role in facilitating the opportunities – often providing land and wider strategic direction. NSW Government has incrementally supported the capacity building of CHP's in order for these emerging organisations to realistically engage with the private sector.

- What are the risks to Government should a community housing provider fail?**

Community Housing Providers in NSW have a 25 year plus record of successful tenancy and property management. Many organisations are now building capacity in areas of finance, development and therefore increasing the skill base within senior management teams and Boards in order to mitigate the additional responsibility.

Importantly debt finance in CHP's is not based on the standard Loan to Value (LVR) or other ratios – it is driven primarily by an Interest Cover Ratio (ICR). Debt finance capacity whilst large in scale across a portfolio therefore, is relatively conservatively geared as the loan generated is based on surplus cash-flow from a relatively low rent.

The approach outlined above has driven 40 Billion GBP of debt finance being raised by CHP's in the UK without any financial default. Government investment is therefore well protected. The not-for-profit nature of CHP's also means that any unforeseen surplus generated does get re-invested into producing more housing outcomes.

- How can the rights of residents to safe and secure housing be balanced against the business requirement of banks and builders to make a financial profit from their investment?**

We understand that our commercial partners need to make a return on their investment. We also understand that as a CHP we can add significant value to a partnership. The optimum partnerships layer expertise, de-risk projects, and enable organisations to each deliver their required outcomes.

Partnerships which work effectively and can be repeated on a subsequent project also allow organisations to reduce required margins as a result of greater certainty. These new partnerships can

increase supply – and provide more homes for residents. For Mission Australia and MA Housing this is about safely providing improved housing options for people in need.

**2. Are the rights of those living in community housing the same as those in public housing – how are complaints regarding maintenance and disputes with neighbours, and tenancy terminations managed and resolved by MA Housing?**

MA Housing has developed policies and procedures to ensure that the organisation has a system that supports a timely, fair, solution focused and transparent appeals and complaints process for tenants and other stakeholders. Tenants are regularly provided with information on how they can seek further information, lodge complaints and appeal decisions. Tenants are also provided with information on where they can seek independent tenancy advice and support and how they can escalate any appeals or complaints if they are not satisfied with MA Housing's response.

MA Housing seeks feedback from tenants on areas such as maintenance through annual tenant surveys and targeted maintenance surveys (representing 1 in 20 work orders raised). Survey results are used as a way to review our service and look for areas of improvement within the organisation. The survey results are published for tenants (through our website and newsletter) along with an action plan for improvement that is based on tenant feedback. Examples of changes that MA Housing have made as a result of tenant feedback include establishing a 24 hour call centre where tenants can report maintenance issues 24/7 and holding regular tenant meetings

All tenants are given an induction to MA Housing at the time of signing their lease and provided with a Tenancy Kit that contains easy to understand information on their rights and responsibilities as tenants, how to request repairs, how to contact the organisation and other relevant tenancy and property information. Housing Staff spend up to an hour with new tenants during their lease signing to go through all documents and information with tenants to ensure they understand MA Housing processes.

MA Housing undergoes regular accreditation audits on all our policies and procedures as part of our commitment to continual service improvement and the National Community Housing Standards.

**3. In its submission, the Inner Sydney Regional Council argues that the large non-Government community housing organisations may have more housing stock than the smaller organisations but due to their larger size they can be more bureaucratic to deal with (submission 41, p8). How would you respond to that comment?**

Many Community Housing Providers have grown significantly in the past three years. As detailed earlier there has also been an increasing of capacity and expertise on Boards and management teams.

There is room for all types and sizes of CHP's committed to improving housing outcomes for people in housing stress within NSW – however in order to make a large scale impact on the multi-billion investment requirements in public and affordable housing over the next 20 or so years, larger more sophisticated organisations will need to emerge with the capacity to position themselves as partners with both Government and the private sector at scale.

**• Who retains ultimate ownership of public housing stock once the management of the housing stock has been transferred to a community housing provider?**

In the UK, Arms-Length Management Organisations (ALMO's); Public Private Partnerships (PPP's) Management Contracts; Housing Action Trust's (HAT's); Special Purpose Vehicles (SPV's) and Large

Scale Voluntary Transfers (LSVT's) have all featured during the process of exploring investment options – a key feature of which has been options for asset ownership/source and cost of finance.

Of the many models, the ones which have been repeated at scale have been the ones that do not have expensive set-up and structuring costs, are longer term; clearly place risk and responsibility with the organisations best placed to mitigate that risk and are simple.

The objective is often based on bringing in additional investment. Therefore the simpler the structure and the more certain the cash-flow, the cheaper the cost of finance is likely to be. For this reason lending which has asset security with the CHP is the predominant method of CHP's raising finance in the UK.

- 4. Many of the submissions received from private individuals living in rural and regional areas express a preference for Government provided services rather than those provided by non-Government organisations. These individuals are concerned that non-Government organisations, particularly those that are not for profit, would focus more on costs rather than service and the needs of their clients.**

**What criteria does Mission Australia apply when assessing whether or not you can provide services in rural and regional areas?**

Mission Australia has a number of criteria we apply when determining whether or not we can provide services, not just in rural and regional areas but also more generally. Our criteria include: whether or not the service falls within one of our pathways<sup>1</sup>; whether there is an identified need and/or service gap where we as an organisation are well placed to provide the service as a result of our experience; whether or not we have a footprint in the area and/or local knowledge and the ability to build networks or partnerships in the area. In addition, we will also negotiate beyond those criteria where the need for a service is significant and unlikely to be met otherwise. As a practical example, our engagement with the Dubbo and Far Western Region has grown considerably over the last 5 years in order to meet the needs expressed by that region.

Our track record in delivering high quality services is strong. For example in our Employment Solutions division our Job Services Australia sites are rated on a Star Rating System where 5 stars is the highest performing and 1 star is the lowest. Some 94% of our sites are 3 stars or above, demonstrating that they are achieving or exceeding contracted outcomes for job seekers and that quality is consistently high.

- **Would you be in favour of a regulated star rating system for service providers (submission 65, p6)?**

We do not consider a regulated star rating system necessary for housing providers (as per submission 65, p6) given housing providers in NSW are already subject to a number of standards. For example MA Housing is accredited against the National Community Housing Standards (2003). These Standards provide a nationally consistent framework to accredit community housing and provide service users with an assurance of quality. The standards can be used by all types and sizes of organisations to achieve continuous quality improvement and improve service delivery<sup>2</sup>.

Further to these provisions, Housing Ministers across Australia agreed to a blueprint for a National Regulatory System for Community Housing Providers in June 2011. The National Regulatory System is a national system of registration, monitoring and regulation of community housing providers. It is designed to encourage the development and viability of community housing, to facilitate investment in the sector by promoting confidence in the good governance of community housing providers and

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<sup>1</sup> Mission Australia work across five pathways – more information is available at <http://www.missionaustralia.com.au/>

<sup>2</sup> More information is available at

<http://www.housing.nsw.gov.au/Community+Housing+Division/Community+Housing+Providers/Standards+and+Accreditation.htm>

reducing regulatory barriers and burdens to providers who currently, or plan to, operate in more than one jurisdiction.

Part of the reform is to improve tenant outcomes and protect vulnerable tenants. The National Regulatory System is being developed through an applied law scheme with NSW as the Host State. On 22 August 2012, the NSW Parliament passed the Community Housing Providers (Adoption of National Law) Act 2012 (NSW) which provides uniform template legislation. It is anticipated that other participating jurisdictions will submit legislation to their Parliaments that applies the National Law or substantially corresponds to the National Law in due course with the new system expected to begin in 2013<sup>3</sup>.

**5. As a national community service provider, how does Mission Australia deal with having to operate in various jurisdictions that have differing regulatory and reporting requirements?**

The practical reality of being a national community service provider means we have had to develop a range of systems that help us manage the regulatory and reporting requirements for our services and operations across all jurisdictions and federally. This includes a range of back of office functions such as the legal team that provides legal advice, reviews key contracts and property leases, reviews and approves the many hundreds of contracts with funding bodies that provide finance to our organisation. They also advise management on the legal impact of new projects and initiatives.

We also have a centralised Finance team that works closely with all areas of Mission Australia's to help make the best use of financial resources, process transactions efficiently and ensure we operate to the highest standards of internal control. This team is responsible for assisting with tenders for new business, coordinating budgets and forecasts and closing the books every month. They have also established our Finance Systems - our Finance 1 System – and how it interfaces to all other business processes, leading projects and process improvements as well as setting up new services. The finance team are also responsible for our financial control functions and ensure we uphold the integrity of our financial records by ensuring all costs are recognised correctly and working with our auditors on our external reporting and acquittals.

To further assist, multiple contracts with varying levels of acquittal are established as separate programs/budgets within the Finance System to allow accountability to each funding body individually.

**• What sort of administrative burden do those requirements place on your organisation's resources?**

These shared 'back of office' functions (such as the two noted above but also communications, fundraising, business development and so on) have arisen as a result of the administrative burden posed by operating in various jurisdictions and federally. Further, the operating environment has also resulted in the need for MA Housing and MA Early Learning Services to establish separate business entities to meet the differing regulatory requirements in the various jurisdictions in which they operate.

Workplace Health and Safety Regulations differ across Australia and with 300+ services there is a large administrative burden worn by the company to ensure each site and service is compliant. Harmonization legislation should reduce the time taken ensure each site is compliant.

**• How do the multiple reporting and auditing requirements impact on Mission Australia's ability to identify emerging needs and provide flexible and innovated services?**

Service Managers spend a large proportion of their time following through on the reporting requirements leaving minimal time for post-program evaluation. Acquittal documentation requires

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<sup>3</sup> More information is available at <http://www.nrsch.gov.au/>

input from both the Service Manager (Variance reporting and program description confirmation) along with the National Finance Team (compiling receipt of payments and Expenses) before it is submitted to our external auditors KPMG for Acquittal sign off. The turnaround time for this process can be as much as 4-6 weeks.

The time taken on administration to fulfil these requirements is unfortunately often at the cost of more meaningful monitoring of services to identify these emerging need and provide flexible and innovated services. We anticipate that MACSIMS (see Q14) will help to provide an opportunity to be able to better identify emerging needs and also provide us with relevant data to ensure our services are flexible and innovative.

It is worth noting that the cost of reporting and acquitting a small grant is often the same as a large grant.

**6. The submission argues that a community development approach to providing integrated services with the involvement of communities will provide long term sustainable investment in services (p7).**

**Can you provide further details about the community development approach you are taking in your work with communities?**

Mission Australia's approach is based on an understanding of community development in its broadest sense as the planned growth of all aspects of community well-being (economic, social, environmental, cultural and spiritual). We also view it as a process whereby community members come together and are empowered to take collective action and generate solutions to common problems. The process of a community identifying their own strengths in order to outgrow their challenges ultimately generates strong, sustainable communities. Our approach is one where the community can strengthen itself internally, and where disadvantaged groups cease viewing themselves as clients and instead see themselves as citizens.

Mission Australia engages with communities based on the following principles:

- Through community invitation by identified community leaders
- With the community, through inclusive and strength based approaches
- Through the creation of local solutions to local social, economic, environmental, cultural and spiritual aspirations

Mission Australia's approach is:

- Sustainable, helping communities develop appropriate strategies to build capacity
- Based on long term investment
- Where Mission Australia has confidence in our capacity to engage over the longer term
- Evidence based

Mission Australia is committed to community-based services that are accompanied by a program of community development that actively seeks to re-establish the natural structures and strengths of local communities. Our approach is also shaped by the concept of appreciative inquiry and asset-based community development. In working from a place-based approach, the role of Mission Australia is one of facilitating the initial processes. Beyond this, Mission Australia's role is to continue to widen the field of mutually beneficial relationships between the community and other stakeholders. The challenge for Mission Australia is to be able to step back at the appropriate time in order to avoid dependency and to facilitate a process rather than dynamically lead the charge. We aim to avoid *doing community development to communities*, and rather, embark on a process of *exploring community development with communities*.

Given this commitment to a process, our evaluation occurs within the action cycle. Much of the data is qualitative in nature and obtained by reflection on what is working well. These 'learnings' are then



shared widely, allowing action to continue whilst research conclusions are captured and documented.

- **What are the projects and what sort of feedback have you been getting from the community?**

The key area in which we are implementing our community development approach at this stage is through our work with the remote community of Mornington Island, Queensland. We responded to an offer of a grassroots community development approach and feedback has shown that the community are ready for such an approach. Further the community have seen this offer as an opportunity to address the needs that Government cannot meet.

Our community development work on Mornington Island is acting as a vehicle for the community to create their own local responses to their social, economic, cultural and spiritual needs. While the community face significant health and social challenges, the Aboriginal leaders possess an appetite for change and are viewing the community development role as an opportunity to recapture their culture that is rapidly eroding. In a pervading environment of 'top down' programmatic responses, Mission Australia's offer extends an invitation to the community to determine their own future from the 'bottom up'.

The community development approach is also being implemented in an urban setting, the Richmond Housing Estate in Melbourne. A partnership between Mission Australia and the Department of Human Services (DHS) will see a community development Facilitator work with residents over a number of years to empower the community to design solutions to issues currently facing the estate. DHS have welcomed Mission Australia's innovative approach to community development, funding the role in recognition that it is this approach that will achieve the community cohesiveness and capacity required for DHS to provide the highest level of programs and services to residents.

**7. A concern raised by the smaller non-Government organisations is their limited ability to participate and influence policy development and funding discussions when dealing with State and peak representative organisations, as they lack the resources to compete with large non-Government organisations. The bureaucracy of larger organisations was also mentioned as an issue of concern preventing the larger organisations from being as responsive and flexible as the smaller service providers.**

**Is this perceived dominance of larger service providers an issue that could hinder the provision of integrated services and limit the choice and availability of services for clients?**

In our experience there are other factors that hinder the provision of integration services more than a perceived dominance of larger providers. As mentioned in our testimony to the Committee, competitive tendering prevents collaboration and sharing and therefore makes it more difficult to integrate services. That said we have numerous examples of integrated service provision where we have arrangements with other providers deliberately to increase both the choice and availability of services.

Mission Australia acknowledges the importance of smaller organisations and our view is that a 'lead provider' funding model could help overcome this perception to some extent. A 'lead provider' funding model is one where a primary provider is awarded a contract, and is able to sub-contract or purchase services from other local, smaller NGOs to ensure the service is delivered effectively. A practical example of such a model is the 'Gateway for Family Support' model in Tasmania. Mission Australia is the lead agency in this model, representing a single community intake point that offers a visible entry point and referral pathway for families and other professionals to access family support services.

Another lead agency program Mission Australia is involved in is the Commonwealth's Communities for Children program. We have a Facilitating Partner role in some of these programs and one of the

Facilitating Partner's roles is to coordinate collaboration opportunities for service providers and act in an intermediary position between government and the NGO sector by engaging other, generally smaller, organisations to provide services (in this instance parenting support, case management and home visiting services).

The benefits of the lead provider model are that clients benefit from a single point of contact for navigating services, partnerships within the NGO sector are improved and local providers deliver local solutions thereby, avoiding the 'one size fits all' model that large providers often bring to service delivery. The model also provides a means to ensure strong governance and back-office systems while developing the governance, management and operational capacity of smaller NGOs and the communities in which they operate. All of this increases the sustainability of local service delivery over the long term.

- **How quickly can Mission Australia respond once a need has been identified?**

Our ability to respond varies and is dependent upon the elements identified at Question 4.

- 8. Organisations providing community services are varied, with some being religious based, some others being for profit, while more are not for profit. Several of the submissions received from private individuals raise concerns about the motivation of non-Government service providers, especially those who are for profit organisations. These submissions express a preference for Government provided services as they believe Government services are focussed solely on providing a service not making a profit. What impact, if any, could these differing religious beliefs and business models have when it comes to encouraging collaboration between providers to foster more integrated, sustainable and person-centred service?**

Mission Australia enjoys excellent working partnerships with other not-for-profit charities and agencies - both those with a religious heritage and those without - as well as corporate entities and governments. We have long been an advocate for the not-for-profit sector, governments and corporate Australia to work more closely and effectively for the benefit of people in need.

While different outlooks and approaches to issues can be challenging, we've not found them to be insurmountable. What is essential is a common desire to deliver outcomes for vulnerable individuals and families.

- 9. The submission argues that pay equity between non-Government and Government will help to address 'some of the challenges of the non-Government sector faces in employee retention'. (p8) Can you elaborate further on the other challenges the non-Government sector faces in regard to retaining more employees?**

As mentioned in our submission, the community services sector is experiencing a skills crisis. Given demand is expected to rise over the next decade; skilled staff will continue to be in high demand. The cost of paying rates above or equal to Award rates results in low rates of pay for staff and as we've stated this undervalues the importance of the community services sector's efforts.

In addition to issues around pay, NFP organisations like Mission Australia also face funding challenges particularly as we rely heavily on government funding to deliver our services. When new funding is granted new services must be staffed very quickly, conversely when funding is removed staff must be made redundant. Also when funding is granted for a limited time period, staff are employed on fixed term rather than permanent contracts. This negatively affects our ability to retain skilled employees and creates an insecure workplace culture. We are also further compounded by a

lack of investment in staff due to the costs of training and development opportunities (our strategies to overcome this challenge is outlined below).

- **What strategies have you implemented or are currently developing to retain staff and provide them with opportunities to undertake training and career development to improve their skills and qualifications.**

We aim to retain our employees through career and succession planning, greater flexibility to move between services and a high level of support for professional and leadership development. Mission Australia has many opportunities for fulfilling careers and our ability to create interesting, on the job development for employees is paramount. To assist with training needs have a number of internal training programs and managers have the responsibility for their own training budget and career development for their team.

Our Community Services are in the process of identifying high potential employees with these employees given priority access to secondment and pro bono leadership opportunities and development programs. They are also working on a learning and development matrix to identify gaps in the strengths and development of leadership staff and how to leverage strengths to close the gaps. Individual development plans are a facet of this process

Our retention strategies include above award rates of pay and conditions in our three enterprise agreements that also provide above award penalty rates for evening and night shifts, and we offer an additional public holiday to employees. Other strategies include: flexible working arrangements; rostered days off; additional compassionate leave and personal/carers leave; elder and disabled care leave; as well as volunteering, study and parental leave. We also offer the option to cash out annual leave; the ability to purchase leave; discounted child care, an incentive program, retention recognition payment (NT) and additional one week of annual leave per year (NT). For individuals who remain longer term with the organisation we provide an additional one week of annual leave at the anniversary of each five years of service.

- **Have you adopted any initiatives to address the overrepresentation of women in the sector's workforce?**

No. While are aware of gender diversity and its importance due to the nature of our work and practices, we are realistic and acknowledge that women will remain overrepresented in our workforce.

**10. The submission argues that fixed term contracts also contribute to the movement of employees from the non-Government sector to the public sector (p8).**

**Can you elaborate further on how fixed term contracts contribute to this movement of employees?**

As mentioned above, funding for specified periods means that employees can only be offered fixed term contracts. The insecurity of fixed term contracts and the detrimental impact they may have when employees are seeking mortgages or loans can encourage employees to seek the security of a permanent contract with the public sector. Employees are therefore paid at a lower rate on a fixed term.

Complex tendering and accountability requirements have also required NFPs to recruit additional professional back office staff (as per Question 5). These requirements have also required us to employ such individuals at rates considerably lower than comparable positions in government and business. Lower remuneration and benefits therefore contribute to the substantial movement of employees from NFP's to the public sector given NFP remuneration is simply not as competitive as the wider market.

- 11. In its submission, The Salvation Army Aged Care Plus details its attempts to increase its workforce through the recruitment of volunteers, particularly those of the baby boomer generation, to work for the organisation, and to match their skills set to specific roles within the organisation. Has Mission Australia considered any initiatives of this nature to increase or diversify its workforce?**

Like others in the sector, Mission Australia also recruits volunteers to participate in a number of our services. While the majority of our volunteers are women, not all are. For instance, one of our social enterprises Soft Landings has a number of recently released prisoners as volunteers as way to provide valuable work experience to increase the chances of these individuals securing employment longer term.

In relation to other incentives, we also have Elder and Disabled Care leave which allows Agreement covered employees to take up to 12 months leave without pay where they are required to provide care to an elderly or disabled partner or other family member.

- 12. There has been some criticism here and especially in the United Kingdom recently of charitable organisations engaging the services of private professional fundraising companies to undertake street fundraising activities on behalf of the charities, and the negative impact the aggressive and unethical behaviour of some of these fundraisers has on the reputation of the charities involved. Does Mission Australia engage the services of these street fundraising companies, who receive a financial reward for their work? And if so, are you concerned about any negative impact from the public about paying a commission to these companies?**

Like many charities (such as Oxfam, Amnesty International, Cerebral Palsy Alliance, NBCF) Mission Australia engages professional service providers to manage our face-to-face fundraising. By outsourcing our face-to-face fundraising needs to external providers we eliminate many of the costs (eg: marketing, advertising, promotion) associated with the traditional methods of acquiring new donors. We also avoid the costs of having to directly employ our own face-to-face fundraising teams and all associated overheads.

Engaging professional fundraisers who work on our behalf means we can focus on what we do best – providing services to people in need – and ensure that donations are used as effectively as possible. Apart from its cost effectiveness, another benefit of face-to-face fundraising is that it gives the charity a stable and dependable income on which to plan for the future.

Our face-to-face fundraisers ask the public to make a long-term commitment by giving a regular monthly donation. The value of this kind of income cannot be overstated. It means that we can budget and plan for long-term projects and programs that deliver the best outcomes for individuals and families who need our help.

While there is sometimes a negative view of face-to-face fundraising, it is in fact a responsible way of raising donations to fund our work. The financial risk is also extremely low; initial set up costs are limited and we only pay fees for the donors who are recruited and remain committed for a certain period of time.

The objective of face-to-face fundraising is to secure long-term supporters who will be committed for at least four years. The fee paid to the contractor equates to around 15% of the money donated by someone who has been giving for four years, making it a very efficient means of raising new funds for Mission Australia's work.

### **13. Other submissions have raised issues around different models of philanthropy.**

#### **What is your view of the difference between philanthropic and charitable approaches to funding?**

Regardless of fundraising source, Mission Australia is passionately committed to working with disadvantaged Australians to make lasting change in their lives, and to regain their independence.

Mission Australia has a number of fundraising streams, including individuals, bequests, major donors, trusts and foundations, and corporate partners. Each of these fundraising streams comprises its own market segment, requiring specialist skills to successfully address those market segments. In particular, we retain a Marketing team focused on the arms-length or mediated forms of (charitable) fundraising, and a relationship-based marketing team so essential for successful ongoing philanthropic fundraising.

Relatively small gifts from individuals, including community fundraising, one-off and regular (pledge) gifts comprise around half of Mission Australia's fundraising income. Unlike most government funding, this income is usually untied and allows the organisation to manage funding based on strategic and service priorities. Given the need to sustainably fund programs and their accompanying infrastructure, there is an industry-wide push to develop relatively stable income from regular and workplace giving.

Philanthropy offers larger tranches of funding which can be employed for ground-breaking community service innovations, such as the highly-successful Michael<sup>4</sup> and MISHA<sup>5</sup> projects. However, such funding requires industrious prospecting and nurturing, a visionary and/or socially entrepreneurial donor mindset, and a great deal of bespoke program structures and accountability. In short, philanthropic funding can require a great deal of cultivation to obtain what is often seed funding.

While we aspire to greater success with philanthropists and major donors, Australia has yet to embrace the culture of philanthropy. For example, according to ATO statistics, people on taxable incomes of \$500,000 to \$1,000,000 employ just 0.63% of their incomes as deductible gifts<sup>6</sup>.

- **Are there inherent risks in relying on external sources of funds, particularly during times of economic uncertainty?**

Unfortunately, all forms of external funding bring their own risks, particularly in times of economic uncertainty. For instance, individuals with a taxable income of over \$250,000 gave or donated half as much in 2009-10 (\$338M) as they had in 2007-08 (\$704M). This was despite this group's taxable income actually increasing by over a billion dollars to \$52.7B in 2009-10<sup>7</sup>.

Mission Australia attempts to spread this risk across many forms of fundraising (see above) to minimise any impacts on particular market segments. We also spread the risk by having a mix of funding allocation, with some funds tied to specific programs and other funds going towards the balance of unfunded programs.

Beyond the inherent uncertainty of short-term, tender-based service contracts, the downward phases of the economic cycle compound these risks. At precisely the times when Mission Australia faces increased demand for community services, all tiers of the public and private sectors are seeking

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<sup>4</sup> See <http://missionaustralia.com.au/daily-news/115-research/research-social-policy/659-the-michael-project>

<sup>5</sup> See <http://missionaustralia.com.au/daily-news/2600-our-ground-breaking-misha-service-for-homeless-men-launched>

<sup>6</sup> *Gifts or Donations as a proportion of Taxable Income (excluding losses)*, Taxation Statistics 2008-09, Table 5 Part B & C at <http://www.ato.gov.au/corporate/content.aspx?menuid=0&doc=/content/00268761.htm&page=8&H8>

<sup>7</sup> *Ibid* and Taxation Statistics 2007-08, Table 5 Part B & C at

[http://www.ato.gov.au/corporate/content.aspx?menuid=0&doc=/content/00225078.htm&page=9#P385\\_13688](http://www.ato.gov.au/corporate/content.aspx?menuid=0&doc=/content/00225078.htm&page=9#P385_13688)

to reduce budget allocations. In these circumstances, Australians in the greatest need potentially bear the greatest burden.

**14. The submission outlines how the organisation is rolling out a client record management system, the Mission Australia Community Services Information Management System (p10).**

- **What will be the benefit to your organisation and to your clients of this new technology?**
- **Will it result in more effective service delivery and reduce the administrative burden of meeting your reporting and auditing obligations to Government?**

The Mission Australia Community Services Management System (MACSIMS) is designed upon an evidence based case management model and has strong multi-level reporting capabilities. As a client record management system; a caseload management tool; and a means for capturing data for research, MACSIMS supports service delivery in three ways:

*1. Storing and managing client information*

- Storing secure and confidential client information, providing a consolidated view of a client's journey with Mission Australia
- Tracking client-related tasks through efficient entry of client interactions, where staff identify types and methods of services delivered to clients
- Maintaining records of case management, workload planning and service delivery

*2. Generating data for research, advocacy and service planning -*

- Collecting data and accessing reports at client, service and organisational level
- Understanding client demographics and identified needs
- Evidence to contribute more effectively to social and political discourses on emerging needs for those disadvantaged, and developing appropriate services

*3. Producing reports to reduce duplication and manual effort -*

- Generating quantitative evidence for funding and line reports in a time efficient manner, maximising resources for client support and service enhancements
- Retrieving reports on relevant data for service planning purposes (case work, client groups, organisational and community)

- **Have you received any Commonwealth or State Government funding for the development of your client record management system?**

No the development was entirely funded by Mission Australia.

- **Is there a need for the Government to include a component in the funding arrangements specifically to enable non-Government organisations to purchase up to date hardware and be trained to use the latest computer package?**

Definitely, it is an important piece of capacity building and we should all be reporting on outcomes and impact, but there is a cost to this.

**15. Do you believe that Social Impact Bonds and organisations that provide funding/support specifically to the not-for-profit sector are viable and sustainable options for the continued development of the community services sector?**

Social impact bonds and other innovative financial instruments that provide funding and support to the not-for-profit sector have emerged as a consequence of more traditional funding for NFP organisations struggling to keep up with demand. Despite the unprecedented high levels of Government funding, predominately due to the outsourcing of essential services to the NFP sector, the demand for funding of essential social services vastly outstrips supply. This includes outstripping

of funding includes that available through a supply of new financial instruments and the additional funding organisations provide to the NFP sector<sup>8</sup>.

As such, our view is that social impact bonds and other innovative financial instruments should be used to complement Government's existing models of delivering services rather than replace it. To have the greatest impact, these options should be directed towards more innovative and risky projects, aimed at early intervention or breaking the cycle of dependence, where Government generally has less capacity to act.

The committee should note that the response to Question 14. Social impact bonds and other "pay by results" funding models rely on the ability to measure and report on clear outcomes. This requires an investment by the sector and government in developing the measures and the ways to collect that information. Again, this comes at a cost.

## Response to the questions on notice received at the public hearing on 10 September 2012

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**Would you be able to provide a profile for that housing and the type of people that you assist in that housing and also the rental charged in those different categories? A general profile of the people that you have would be great.** Mrs Barbara Perry (p51 of transcript)

As of 30 June 2012 MA Housing managed 1,308 homes in NSW. Of these we own 579 properties, and 729 homes we manage on leases on behalf of other owners. (Predominantly Housing NSW). The mix of properties is as follows:

Type:	No:	Average rent (includes social & affordable housing)
Studio	118	\$129
1 Bed	540	\$137
2 Bed	569	\$163
3 Bed	75	\$211
4 Bed	6	\$170
<b>TOTAL</b>		<b>1308</b>

Of our total homes in management 87.4% or 1,143 are social housing, with 12% currently affordable housing. Rents for affordable homes are a maximum of 75% of market value. Of our stock 1,249 homes (95%) are less than 5 years old, and 59 homes (5%) more than 40 years old.

Of our 1,017 Nation Building homes in management we have homes in the following areas.

	Aboriginal tenants	Formally homeless / at risk of homelessness
Mid-North Coast	56	155
Bankstown	17	138
Blacktown / Penrith	76	261

Our average Nation Building social housing rent is approximately \$155 per week.

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<sup>8</sup> Shergold, P, Kernot, C & Hems, L. (2011) *Report on the NSW Government Social Impact Bond Pilot*. The Centre for Social Impact: Sydney.

**That is the sort of stuff I would like included in the profile, how would you put those wraparound services in and what are the outcomes, if possible – that means people in training, reduction in people going to hospital - Mrs Barbara Perry (p52 of transcript)**

MA Housing has 28 support partnerships in place for our tenants in NSW.

<b>Support Agency</b>	<b>State</b>	<b>MA Service</b>	<b>Number Properties in Agreement</b>	<b>Number Currently Tenanted</b>
Fairfax House	NSW	YES	16	16
Kingswood Family Centre	NSW	YES	6	6
Mission Australia (SWSYH)	NSW	YES	30	23
Marist Youth	NSW	NO	10	10
DVSWSS	NSW	NO	15	15
CRC	NSW	NO	15	11
Samaritans	NSW	NO	4	2
Kempsey Neighbourhood Centre	NSW	NO	2	0
Fusion (FASS)	NSW	NO	5	5
United Muslim Women's Assoc	NSW	NO	13	10
Brighter Futures	NSW	YES	3	3
Birpai Aboriginal Land Council	NSW	NO	2	1
Hastings Women's Refuge	NSW	NO	2	2
MA Adult Accommodation (incl. MISHA)	NSW	YES	20	8 MISHA 7 Other
Project 40	NSW	NO	20	5
The Crossing	NSW	NO	4	4
PRA	NSW	NO	6	6
Fairfield Youth Connections	NSW	NO	3	3
Canterbury Bankstown Youth Service (CBYS)	NSW	YES	7	7
PTLALC	NSW	NO	4	1
Disability Services Australia	NSW	NO	4	2
PHAMS	NSW	YES	1	1
Salvation Army (Syd)	NSW	NO	1	1
Penrith Tenancy Service	NSW	NO	2	2
Yaralla Cottages	NSW	Yes	24	22
Lemongrove Lodge	NSW	YES	6	6
Camperdown Support Service	NSW	YES/NO	62	61
PHAMS	NSW	YES	1	1
<b>Total</b>			<b>288</b>	<b>241</b>

We also manage Common Ground Camperdown. This development of 104 homes provides homes for 52 formally long-term homeless tenants; 10 social housing tenants, and 42 affordable housing tenants. Camperdown is one year old in November 2012. The model for this building includes on site concierge and extensive support services.



**Perhaps you could take this question on notice. What are the maintenance issues like in housing from your experience in the United Kingdom?** Mrs Barbara Perry (p59 of transcript)

The 1988 Housing Act in the UK was a piece of legislation which triggered the re-direction of housing investment away from Local Government and into a mixed funding / layering approach with the growing Community Housing Sector at the forefront.

The new approach was for a number of reasons, the key financial ones being:

- Repairs backlog in public housing
- Aging stock
- Existing supply insufficient for projected growth
- Government realisation that it could not fund this alone

Following the 1988 Housing Act a threshold for an acceptable standard of quality for a public housing home was established. This was called “The Decent Homes Standard”. In 1997 the Local Government decent homes repairs backlog was estimated to be 19 Billion GBP. In 2001 39% of social housing stock was measured as ‘non decent’.

The transfer of assets to CHP’s in the UK has now collectively leveraged in excess of £40 Billion to meet some of the new supply and maintenance backlog issues in the UK. In addition, unlike Governments, CHP’s rigidly set aside ‘sinking funds’ for their stock to ensure that funding is set aside for future repairs to their stock – thereby mitigating the potential for an accumulation of unfunded maintenance liability.



## **NSW Legislative Assembly- CSC Response to additional questions regarding Outsourcing Community Service Delivery**

### **1. Re recommended funding model to promote collaboration between providers.**

Non government providers are colleagues in the sector as well as competitors – often vying for the same funding/client group.

It is the provider's approach to client focussed care rather than the funding model which will foster collaboration. The provider can determine to only use its own services for the client for whom it receives funding or it can identify the client's needs and seek to meet these through the best available service options- being its own or others.

CSC has done this in a number of situations. When a client, previously supported through a council HACC service, has been accepted onto a CSC CACP (Community Aged Care Package), CSC has continued to purchase the service of the council HACC support worker who has a relationship with the client and can best facilitate meeting the client's needs. Similarly, while CSC provide direct care in the home with domestic, personal and respite care support, it frequently used day centre, meals, transport services of other organisations if this will meet the client's goals.

CSC has numerous service agreements with other organisations to provide services for their clients or to purchase their services for our own clients.

Opportunities for collaboration on a broader scale are less available. CSC has worked with 2 other agencies to try to streamline recruitment but agency needs predominated.

The TAC- transport Accident Commission- in Victoria provides a forum for all panel providers to meet and discuss issues in common and for the common good of the TAC clients. This has had great benefits in providing the opportunity for providers to meet each other collaborate- at the meetings and outside of them.

### **2. Re: Assessment of services provided and penalties for poor performance**

Services are under a variety of contracts and review and assessment of performance vary- mostly annually on a formal basis where auditors from DVA, DoHA, TAC, HACC will come and randomly review their client files, notes, outcomes and service comments.

CSC undertakes an independent client satisfaction survey, with breakdown by major contracts so these are also available to the funding body.

Each funder has a preferred complaints mechanism. CSC records complaints from their constituents and its response re: the cause and resolution of the issue. CSC then reports this as per the funder's preference at agreed intervals

The most powerful outcome for not meeting service levels is to lose the contract and work.

The Commonwealth has a Complaints Scheme which will send a formal outline of complaints and require written responses- for this and any other matter which the client finds unsatisfactory. CSC has been able to respond to these to the satisfaction of the Commonwealth not incurring any sanctions.

CSC has rarely not met an agreed commitment. It may mean it pays an employee extra to travel further to cover the service if eg the local, regular worker was unavailable. This is a cost borne by the organisation. It may mean for non essential services such as domestic assistance, it is moved to another day which suits the client and can be met by the provider. Measurable KPIs which are not burdensome to collate and make a real difference to client outcomes, equally rewards for excellent service outcomes.

### **3. Re: Managing Contract Changes of Providers**

As the outgoing provider, we have met immediately with the incoming provider to offer all the assistance required for a smooth transition and to ascertain their approach to employment of existing staff vs new/open recruitment. Most have sought continuity of staff and are pleased to work collaboratively. One has refused to give any preferential consideration to staff currently working with the clients- possibly fearing transfer of business implications.

We have met with staff as soon as possible to give them the information we have and convey the new provider's plans for taking on those who wish to move with their clients, facilitating expressions of interest and giving references, while also outlining the work availability if they remain with CSC.

It is generally the funding group which notifies the clients of the change.

As the incoming provider, we have met with the current provider to plan as seamless a transfer as possible, to identify personnel who could be employed by CSC to assist in the continuity of care and reduce disruption for the clients. We write to and then meet their staff interested to transfer and make offers to as many as possible wanting to transfer and who are deemed suitable. We have many staff from one such contract who have completed 15 years service with CSC.

We have written to clients, with the agreement of the funder, to introduce ourselves and to reassure that there will be as little disruption to their service as possible.

Collaboration keeps the client at the centre of all decisions and provides a planning framework for timely transfer.

### **4. Re: Contract arrangements to facilitate innovation.**

9 year contracts- made up of 3+3+3 does enable the provider to become fully cognisant of the region and its needs, implement and analyse innovation. This is particularly relevant where capital expenditure is required as part of the service. CSC's services are primarily people based.

In our experience to date in remote areas, the funding from eg HACC, state disability services or through community aged care packages is not time limited. HACC is reviewed on an annual basis through audit; disability services continue as long as the client and family are

satisfied and the DoHA packages are ongoing, once allocated, although this may change in the future if the market is opened up as recommended by the Productivity Commission.

Tiwi, with the agreement for the flexible aged care service is renewed annually, based on CSC meeting the expectations of the Department, clients, families and the community and we can demonstrate sound financial stewardship of the funding.

Knowing that responding to needs effectively will enable the services to continue is a strong incentive to being innovative and responsive.

Sharing best practice and ensuring current changes in the service system flow through in funding enhances outcomes to clients.

#### **5. Re: Indicators for working in rural and remote. Government role?**

CSC operates in a number of rural and remote areas. It assesses whether the funding available enables the service to be provided as required given the additional obstacles involved.

This has included funding of cars for staff access to clients in dispersed areas. In NT, with DoHA funding to date, CSC has been able to rent a flat in Alice Springs to accommodate staff when we have had to bring in staff from elsewhere to meet service needs. Similarly, CSC has just taken a flat in Darwin for staff who work on Bathurst Island to stay in on their days off. The alternative is to stay on the island and thus never get away from their work, or to fly to Darwin where motel costs are high. This initiative is expected to reduce turnover of staff, reduce recruitment costs and improve continuity of care for clients. Staff contribution to rent will assist significantly with the funding meeting any shortfall.

We have not experienced a need for government to be in service delivery as the last resort. When service delivery issues have arisen, we have worked with other non government services or tapped into CSC and other Calvary services to assist with shortfalls.

We consider flexibility in government to provide one off funding support for unforeseen circumstances, rather than having to wait for a prescribed funding round.

We have appreciated government support to discuss challenges and options for resolution.

Recognition by government of the increased costs rural service delivery is essential as statistical analysis to identify unmet need or under accessed services to population data.

#### **6. Re: Regulatory Burden**

The multiple audits and regulatory requirements add to the cost of our services and can divert focus from our reason for existing- to enable people to live as they choose in their community. CSC has its own quality accreditation through ISO 900:2008 and AS4801 for OHS. It then has quality audits from multiple funders. It has internal and external financial auditors as part of the organisation's governance framework. It then is required to acquit for approx. 20 programs at end of year to various government departments.

This can sap the passion of staff who come to provide a service and feel burdened by compliance. This is a recognised responsibility but some acceptance of eg external audits- financial and ISO – and then a more standardised approach from funders would be

appreciated. It would enable more of the funding to be channelled to direct service than to the increasing administrative component.

Inconsistency across jurisdictions by departmental auditors is also frustrating eg a service agreement or assessment tool can be praised by auditors in one state while amendments can be sought in others.

## **7. Re: Motives/Impact of non government services**

CSC began as a for profit organisation in 1991 by 2 professionals wanting to make difference. Its values blended easily with Little Company of Mary Health Care, the Catholic organisation which acquired it in 2006.

By the early 90's in Victoria, most of the home care services were government run and having no competition, there was also limited customer service. Services were available based on the employees' rosters and people were not receiving services when and how they required them.

Broadening this to a more competitive environment has meant a better deal for clients and carers. Clear outcomes and achievement of these is what is important.

Since becoming a Catholic service, there has been no sense of resistance to our service due to it being religious based. This has given comfort to Catholics and to others who recognise it is a values based organisation. CSC works with other Catholic providers eg St John of God and Cabrini Hospital in Melbourne as well as other groups such as Uniting Care in Port Augusta, NT Carers in Darwin etc.

CSC 's clients and staff are from all traditions and backgrounds.

## **8. Re: Sector Profile**

12% of CSC's workforce of 2200 is male, a number joining the organisation post 50years after different careers, wanting to make a difference and enjoying the flexibility of the work requirements.

While better pay and career progression are seen as factors to increase the profile of this essential work in the sector, it is also imperative to have a flexible and available workforce to meet the needs of clients when and as they require this. This latter is serviced by casual or flexible EAs which are increasingly difficult in the FWA environment.

Increased funding to improve employee pay would certainly assist. A high profile TV series capturing the joys and challenges of the role could also be positive for increasing the profile of support workers.

## **9. Re: Philanthropic /Charitable**

While having charitable status, these terms/definitions are not impacting on CSC. We are committed to the mission and values of LCMHC and have a responsibility to meet these as well as our funders' expectations.

With the rise of risk management, OHS etc, there has been a tendency in recent years to be paternalistic in case management and service delivery across the sector- not just from charitable organisations but as a result of the funding / compliance requirements.

The focus on client directed care in the aged care as well as the disability sector is requiring providers to revise their practices, understanding and acting on the dignity of risk for clients and to “work with” rather than ‘do for’ them. This is a positive shift which will require significant realignment of approach for many.

CSC receives funding from many different government funding bodies. It does not have funding from philanthropic sources. In accepting any funding with the expectations associated with it, it is essential to determine if it is consistent with your purpose and circle of competence. If not, an organisation’s activity or energy is diverted from this to tangential issues.

#### **10. Re: Lessons learnt about Outsourcing**

Being one of a group of accepted providers to whom government departments and clients can select as provider is a positive model for the future. This is not time specific as long as the service delivery meets or exceeds client and funder expectations. There needs to be the opportunity for dialogue around the costs for services, eg SA Disability vs Victoria where costs are set and they are low compared with real unit cost. In both SA and Vic, there is no guarantee of service levels to each provider- this will be determined by customer choice.

In NT, the state HACC agreement is prescriptive in expected outputs for an agreed cost per service, with reporting on achievement of these – or reasons for variation – at year end. This also works well.

The Vic model of exclusive tendering to run HACC service for an LGA for an agreed contract period has generally worked well for CSC. However it has issues in relation to client choice and employee and client disruption when a change occurs. It is generally well handled and initial concerns are allayed by collaboration between the council and the 2 providers.

However CSC has experience of an uncooperative incoming provider which continued to cause disruption for clients and employees well beyond 12 months post transition. CSC had 96% client satisfaction with this council and strong working relationship but was beaten on price. CSC would not seek to reapply for this tender when it comes up, believing it could not do better than the last submission. This leaves those clients potentially with a less than satisfactory provider.

Libby Saunders, CEO CSC; National Director Community Care LCMHC.

Helen Douglas Director of Operations CSC