LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON FINANCE AND PUBLIC ADMINISTRATION
(INCORPORATING THE PUBLIC ACCOUNTS COMMITTEE)

REPORT ON

THE IMPLEMENTATION OF SERVICE PURCHASING ARRANGEMENTS IN THE ACT

Committee Report No 3
December 1999

RESOLUTION OF APPOINTMENT

The Standing Committee on the for the Chief Minister's Portfolio was appointed by the Legislative Assembly on 28 April 1998 to examine any matter under the responsibility of the Chief Minister's portfolio. The Assembly also resolved that the committee perform the duties of a public accounts committee, specifically:

(a) to examine:

- (i) the accounts of the receipts and expenditure of the Australian Capital Territory;
- (ii) the financial affairs of authorities of the Australian Capital Territory; and
- (iii) all reports of the Auditor-General which have been laid before the Assembly;

(b) to report to the Assembly, with such comments as it thinks fit, on any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Assembly should be directed; and

(c) to inquire into any question in connection with the public accounts which is referred to it by the Assembly and to report to the Assembly on that question.

On 26 November 1999, the Assembly retitled the committee as the Standing Committee on Finance and Public Administration (Incorporating the Public Accounts Committee), omitted reference to matters under the responsibility of the Chief Minister's portfolio and included reference to women's affairs, Aboriginal and Torres Strait Islander issues, asset management, gaming and racing and any other related matter.

MEMBERSHIP OF THE COMMITTEE

Mr Ted Quinlan MLA Committee Chair

Mr Trevor Kaine MLA Deputy Committee Chair

Mr Greg Cornwell MLA

Secretary: Bill Symington

GLOSSARY OF TERMS

ACTCOSS	ACT Council of Social Service
CHC	Community Housing Canberra Ltd
COTA	Council of the Ageing
CSHA	Commonwealth/State Housing Agreement
DECS	Department of Education and Community Services
DHCC	Department of Health and Community Care
HACC	Housing and Community Care Program
HHA	Havelock Housing Association
SAAP	Supported Accommodation Assistance Program
SACS	Social and Community Sector Award
SPRG	Service Purchasing Reference Group
YSGP	Youth Services Grants Program

TERMS OF REFERENCE

On 28 August 1998 the Assembly resolved that this committee inquire into and report on the recommendations of the February 1997 report to the Chief Minister’s Department entitled “Implementation of service purchasing arrangements in the ACT” with particular reference to:

(1) an evaluation of the progress on the implementation of the recommendations;
(2) the resourcing requirements of the non-government partners to the agreement; and
(3) any other related matter.

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SUMMARY OF RECOMMENDATIONS

Recommendation 1

3.13. The committee recommends that the departments introducing the purchaser/provider process conduct seminars for officers involved where the primary topic is the impact upon service providers and the objective is an understanding and an appreciation of the effect on providers.

Recommendation 2

3.14. .....The committee recommends that the government prepare a brief paper in which it explains how consumer sovereignty is embodied into a system that is primarily concerned with value for money.

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3.38. ..It is recommended that the government should identify areas where it anticipates that contestability will deliver economies without reduction in service levels, and also where it believes that service levels could be reduced without disadvantaging the recipients.

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3.39. .... It is recommended that the government should give first priority to the completion of the mapping exercise, defining the services that are to be made fully contestable and those that will remain "protected". The exercise should include definition of those programs that will be purchased competitively on an open price basis, on the cost of inputs, or those that will be purchased at a fixed price.

Recommendation 5

3.40. ....The results of the mapping exercise should be published, together with the criteria used in selection and the reasoning behind each choice made.

Recommendation 6

3.51. ....The committee recommends that, in consultation with the community service sector, the government develop and promulgate service purchasing pricing guidelines together with an explanation on the application of the "value-for-money matrix" referred to in the December 1998 issues paper prepared by Craig Johnston.

Recommendation 7

3.58. The committee recommends that the government:
(i)..... review the accountability requirements of service purchasing contracts to ensure consistency with the scale of the contracts concerned and rationality in the requirements; and
(ii) ensure that departments provide agencies with timely feedback on their reports.

Recommendation 8

3.66. ....The committee recommends that the government, in consultation with the community service sector:
(i) review training programs for the community service sector with a view to assisting agencies to plan and evaluate their services and meet contract accountability and legal requirements;
(ii) ....institute training programs directed towards internal self-assessment and planning by agencies to equip them to meet quality performance standards as these are developed; and
(iii) allocate training funding to achieve maximum cost-effectiveness.

Recommendation 9

3.76. The committee recommends that the government:
(i)............... expand the existing service purchasing implementation consultative processes to provide that the SPRG and other consultative arrangements are inclusive of all relevant interests within the community service sector; and
(ii) in conjunction with the SPRG develop and implement a service purchasing reform communications strategy which includes regular briefings and feedback to service providers.

Recommendation 10

3.87. ....The committee recommends that the government in consultation with the community service sector and, where feasible, with clients develop:

(i)................. quality performance standards for inclusion in service purchasing contracts; and

(ii) generic standards for specific service providers.

Recommendation 11

4.14. . The committee recommends that the government commission an independent evaluation of the relative value for money received from government services as compared to non-government services.

14 July 1999

1. INTRODUCTION

1.1. The report[1] in question was prepared by Ms Lyla Rogan (RPR Consulting) Mr Craig Johnston (Craig Johnston Policy Futures) and Ms Elizabeth Morgan (Australia Institute) and generally is referred to as the Rogan/Johnston Report. It was commissioned and managed by the Chief Minister's Department and published in February 1997.

1.2. 1.2.The report summarises a review that was concerned with payments to non-government organisations for provision of services, allocated by some form of competitive bidding and assessment. Although the authors were careful to state that it embraced more than "human services", the reality is that the great bulk of services impacted fit within that category.

1.3. The Rogan/Johnston report states that as part of its public reform strategy the ACT government is committed to the implementation of a purchaser/provider model in its funding of non-government organisations and firms. The reasoning behind the model is the separation of the roles of provision of a service from that of financing the service.[2]

1.4. The report goes on to say that the model makes the nature of the contractual relationship between government and service providers more transparent, allows for competitive processes to be introduced and can specify the quality and level of services to be provided.

1.5. The report produced 41 recommendations grouped against the review's terms of reference.

1.6. The Rogan/Johnston report conclusions assert that:[3]

- the government should recognise the role of community organisations beyond the delivery of services
- there should be a clear set of principles in relation to the roles and responsibilities of government and providers, those principles covering consumer focus, flexibility, quality and effectiveness, value for money, access and equity, diversity and choice, partnership and mutuality, transparency and fairness, clarity and simplicity, competitive neutrality and risk management

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[1] Rogan/Johnston report Implementation of service purchasing arrangements in the Australian Capital Territory pp6/9
[2] Rogan/Johnston op cit piii
[3] ibid ppiii-v

- purchases will need to be guided by strategic and social planning and by portfolio policy objectives
- service specification should generally be in terms of outputs or outcomes linked to standards of quality and other performance measures
- while contestability may increase efficiency and value for money, special features of human services and the not-for-profit sector should be taken into account. Consideration should be given to the entry to the market of new providers
- a standard structural format of core documentation should apply across all departments and programs so as to make tendering easier for prospective providers and simpler to administer. There should be single pro forma agreements for various services and funding arrangements
- government should develop a fair pricing policy to guide agencies in determining efficient and fair prices
- there should be provision for government to respond to community initiated innovation
- there should be a realistic time frame for implementation of service purchasing.

1.7. The purchaser/provider concept is based on a stated Government intention to "increase the efficiency of the public sector and to promote the delivery of high quality services to the community. The focus was to "be on results achieved, rather than solely on resources consumed in bringing about those results."[4]

1.8. A stated government rationale for the purchaser-provider model is *consumer sovereignty*, ensuring the main purpose of service delivery is to improve the well-being of those who use the service as distinct from those who provide it.

1.9. The government's view is that service purchasing arrangements improve the quality of services, enhance accountability, provide value for money, promote sector development and assist service need planning.[5]

1.10. Service purchasing is being implemented under the guidance of the Service Purchasing Reference Group (SPRG), which is a joint government/community body established in June 1997. It is comprised of representatives of the four peak community organisations, ACTCOSS, Council on the Ageing (COTA), Volunteering ACT and the Youth Coalition of the ACT, as well as representatives of the Departments of the Chief Minister (which chairs the Group), Health and Community Care, Treasury and Infrastructure and Education and Community Services.[6]

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[4] Chief Minister, submission to committee dated 21 December 1998, p3
[5] ibid pp5/13
[6] Chief Minister Appendix A pp1 & 20

1.11. The SPRG has largely focussed on:

- producing the strategic Framework and Directions Statement
- general discussion of training and communication issues
- establishing the Quality Standards Project
- production of a newsletter

1.12. A Working Group of departmental representatives, chaired by the Chief Minister's Department, has focussed on:

- development of standard contracts
- mapping the purchase of community service across departments
- early work on development of a pricing policy

1.13. The Standing Committee's inquiry relates to implementation, rather than the principles behind the purchaser/provider process. However, a necessary precondition for successful implementation is a general appreciation of the objectives of the process, its claimed advantages, its recognised disadvantages and the anticipated difficulties in its introduction. Some reference is therefore made to the appropriateness of the model.

1.14. The inquiry received 23 written submissions and took evidence from some 51 individuals that included a wide range of service providers.

1.15. Some service providers were of the opinion that matters they wished to discuss were of such sensitivity that the committee was obliged to offer agencies the opportunity to give evidence in camera. Seven agencies met with the committee on this basis.

1.16. The committee also had the benefit of private briefings by officers of the Chief Minister's Department, and the Departments of Health and Community Care and Education and Family Services.

1.17. By way of context, the ACT government purchased family and community services to a value of more than $48m from a wide range of community organisations and from government agencies in the 1998-1999 budget year.

2. EXECUTIVE SUMMARY

a) The jury is still out on the general question of the appropriateness of applying outright contestability to the delivery of human services. Events to date in the ACT would indicate that the government has chosen to hasten slowly in implementation of full contestability.

b) So far, open tendering has been limited to new programs and to a couple of cases where it is generally accepted that there was a deliberate strategy to redirect funding away from the particular organisations affected.

c) In the main, there has been continuity in the funding of programs administered by non-government organisations, albeit within a framework of specified outcomes and increased accountability. The committee was therefore surprised to encounter such widespread hostility directed towards the process.

d) ACTCOSS advised the committee that most organisations it represents have been prepared to concede that the ACT government has gone further than other governments in terms of analysing the changes although they may have fallen down in the implementation of the changes.[7] ACTCOSS went on to say that the Service Purchasing Reference Group (SPRG) has been largely responsible for steering the service purchasing process.[8]

e) In its submission to the committee, presented on behalf of the agencies that make up the SPRG, ACTCOSS was of the opinion that the agreed process for implementation of service purchasing is fundamentally sound. However, current concerns arise largely from the lack of commitment by the government to the elements of the process aimed at engaging and resourcing sector involvement and support for the process.[9]

f) In general, the SPRG comment on progress with implementation of the Rogan/Johnston report is favourable. ACTCOSS itself was more equivocal expressing reservations regarding the manner in which the concerns of the community service sector have not been effectively addressed. Further, there is growing evidence of inconsistency in the implementation of report recommendations, while some have been neglected altogether. There is widespread skepticism within the community service sector regarding the service purchasing arrangements.[10]

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[7] Transcript (trans) p76
[8] ibid p64
[9] ibid p 65
[10] trans p8

g) Many individual service providers expressed reservations regarding the degree to which they felt that they were represented by ACTCOSS or the SPRG. ACTCOSS conceded that it, and the SPRG, could have managed the change process more effectively.[11]

i) The committee found among agencies a disturbing degree of mistrust regarding long term departmental intentions. Some agencies have reason to believe they have been singled out for adverse treatment.

j) It became evident early in the inquiry that there is considerable disquiet within the community services sector about the process of implementation of the Rogan/Johnston recommendations. The committee found a reluctance by some agencies to be open about their concerns out of a perceived fear that they might suffer retribution if they were frank in their opinions about service/purchasing arrangements and their administration.

k) A fair amount of criticism of implementation can be sheeted home to a perceived lack of empathy within departments for agencies or for the effects upon their operations. It is probably fair to say that the changes could have been initiated with a great deal more sensitivity than has hitherto been the case. The apparent lack of genuine communication and appreciation of agency imperatives has to an extent, adversely affected the acceptance of the initiative.

[11] ibid p70

3. PRINCIPAL ISSUES RELATING TO PURCHASER/PROVIDER PROCESSES

3.1. In this section the committee addresses the major issues brought up during the inquiry. A number of these issues run into each other and have causal links. For example, those concerning pricing are closely related to quality standards and contracting. Discussion about any one of these issues has relevance to others. There is an amount of cross-referencing between issues and few of the matters raised in this chapter stand alone.

3.2. There is a fair degree of criticism of the implementation that is relayed through this report. In the interest of balance, comment provided within the Government's submission is incorporated as Attachment A.

Consultation and Communication

3.3. On the evidence of government officials and the government's own submission to the inquiry, one would conclude that consultation has been exhaustive and all reasonable questions and reservations have been settled. On the evidence of many of the community sector organisations one would conclude that consultation has been inconsistent and communication of meaningful information has been poor. Clearly there is a difference in perceptions between the purchasers and the providers.

3.4. As stated earlier, many organisations do not feel that they are adequately represented by the few community bodies that participate directly in the SPRG. The committee has no specific reason to criticise the SPRG, but it is concerned that this important element of the consultative process has been less than optimal.

3.4. There is genuine fear within the community services sector. Organisations fear the loss of 'traditional' funding while they are uncertain as to precisely how future decisions will be made. They are uncertain as to the intended coverage of outright contestability. They feel that they are in the dark as to what, exactly, they will be required to bid for.

3.5. On balance, it has to be concluded that government departments have been unsuccessful in consultation and communication. At the public hearing an otherwise polished presentation by departmental officials fell away sharply when the topic of the appreciation of the position of service providers was discussed. There was a discernible dismissiveness regarding the obvious disquiet within the sector. This should be addressed as a matter of high priority.

3.6. In an attempt to understand the general uncertainty, it is important to revisit the second and third recommendations of the original Rogan/Johnston Report. These define the roles of government and service providers. They define the government's role as largely policy and priority setting, while the NGOs have the primary role of specific design and delivery of services. The implementation appears to embody a role reversal where government departments are tending to define specifics in contracts while NGOs must anticipate policy shifts and immediately understand the ramifications.

3.7. Criticism within the community services sector was not directed with the same intensity across all relevant areas of the Administration. Some areas were regarded as more forthcoming and constructive in their relationships with agencies than are others. The Department of Education and Community Services generally received a better rating than did the Department of Health and Community Care. Service providers appear unconvinced that departments have heard their misgivings or the difficulties that they have identified. They remain to be convinced that the best interest of the ultimate clients is the overriding principle.

3.8. Departmental representatives generally had difficulty in relating to the disquiet within the community services sector. Departments suggested there has been bad press in relation to service purchasing but that, so far as agencies relationships were concerned, they assert that there is even-handed treatment and no agency would be penalised for debating issues or challenging decisions.

3.9. It is clear that, no matter how useful or beneficial the purchaser/provider model may be for the ACT, the Government and its departments need to do a great deal of work to establish faith and trust in both the model and the process of implementation. The committee is firm in its opinion that the model has to be "sold" not imposed on the community services sector.

3.10. More than one provider expressed the opinion that the government had not defined what it wanted. There are published plans and statements of intent, but they are too general. They do not satisfy the requirement to "establish the policy objectives of specific programs and services" as set down in the Rogan/Johnston delineation of roles. There is a need for plans with sufficient detail for providers to use as a starting point in playing their part, primarily to "design and deliver services in response to need".

3.11. In order to allay fears across the community sector the government should make completion of the contestability mapping exercise a matter of first priority. Not only must it define which programs are to be contestable versus those that will be “ring fenced”, but it must define the purchasing basis (price of outputs, cost of inputs, fixed price, etc.). The grounds for the decisions should be promulgated along with the resultant listing.

3.12. Claims made that there is a goal of “consumer Sovereignty” need to be supported by an explanation as to how this is achieved through the implementation process. There is not much to indicate that the goal is any more than a cliché, rather than a reality.

Recommendation 1

3.13. The committee recommends that the departments introducing the purchaser/provider process conduct seminars for officers involved where the primary topic is the impact upon service providers and the objective is an understanding and an appreciation of the effect on providers.

Recommendation 2

3.14. The committee recommends that the government prepare a brief paper in which it explains how consumer sovereignty is embodied into a system that is primarily concerned with value for money.

Adjustment to the competitive environment

3.15. The committee accepts that the community sector cannot claim immunity from the significant administrative reforms of recent years. It can claim that it is sometimes undervalued in terms of its legitimate role as a productive element of the economy. There is not only a question of agencies coping with new accountability practices, but also a question of the role of the human services sector relative to government and the most appropriate means of managing that relationship.

3.16. While the government is a long way from completing the implementation process, a purchasing policy and standards are being developed. There is a contract document and an implementation plan for the second half of the project in consultation with the SPRG. Those consultations were intended to pick up any issues which agencies and others consider have not been addressed properly and to identify issues arising from the Rogan/Johnston report recommendations which require further examination.[12]

3.17. The committee was made aware of the considerable concerns within the community and community agencies that the purchaser/provider model is a move to a total competitive environment. Concerns are manifest in the

[12] trans p5

uncertainty about the continuation of funding of activities previously supported by grants but which may be open to tender in the future.

3.18. Smaller organisations, because of their limited resources, have not fully participated in the consultation processes and in information dissemination.

3.19. It was suggested to the committee by a peak community group representative that the move away from the grants system has involved a shift in the culture of providers to a primary focus on securing funds and on having a very clear external communication strategy. This has previously not been a factor with many agencies.

3.20.Service providers are more than a little uncertain regarding the future of cooperative networking when there is the prospect of outright competition. If the time should come that actual survival is dependent upon success in a contestable market, the first casualty will be cooperation, and that will militate against optimal service to clients.

3.21. There is much ground to be made up in convincing the community sector that the purchaser/provider model is being introduced with the primary goal of helping the clients. They feel that the good work that they have done over the years is being dismissed and that their objections and reservations are being written off as predictable carping. They are suspicious that the system will operate to enhance the power of departmental officials and render their very existence subject to the whim of officialdom.

3.22. The committee concludes that the communication and consultation process could have been conducted in a more positive manner, and that there could have been a greater commitment to assisting service providers in appreciating the reasoning behind the claimed need to change

Accountability and transparency of the process

3.23. The committee found broad acceptance by the community services sector of the need for appropriate accountability in relation to funding for services provided. There was general acknowledgment of the need for accountability where public funds are concerned and that agencies ought to be ready and able to meet reasonable reporting mechanisms.

3.24. It was recognised that agencies needed to provide value for money and to demonstrate that what they do meets a genuine need. The service purchasing system was also seen as improving professionalism and the quality of client service.[13]

[13] submission(sub) no 8

3.25. There were reservations about process and intent. There is a view that government expects agencies to provide higher levels of accountability for matters not previously monitored closely, with considerable demands placed upon management and staff. There are now consultation processes on issues such as standards, SAAP evaluation, case management and national data collection.[14]

3.26. Implementation of the purchaser/provider model was questioned on the basis that, while it has the strong potential to create a fairer and more efficient range of community service delivery, the model needs to be implemented in a way that ensures transparent accountability by both the purchaser and the provider. It must also utilise a methodology that is relevant to the expected outcomes in human services.[15]

3.27. The issue of transparency was raised in connection with a couple of services where there was no consultation before their programs were hastily put out to tender. Other services in the same field were not subjected to competition. The purchaser/provider processes were obviously used to resolve a perceived problem that was not openly discussed, and had little to do with healthy competition. This action was particularly insensitive, given the widespread disquiet associated with change. It placed all organisations on notice that they could suffer the same fate.

3.28. Logical arguments were put forward that open competition could give rise to the growth of monopolies, a situation that may not serve the clients well. It should not be assumed that a single monopoly service would serve the community interest better than several smaller ones. Localism and familiarity are important qualities of a successful service.[16]

3.29. There were assertions that the purchaser/provider model is largely derived from the industrial world, and when applied to human services, the associated language erases meaning, purpose and significance that people have about life and themselves. There is a bias towards quantifiable outcomes as measures of success. Qualitative measures and by-products such as satisfaction achieved through social interactions which are difficult to quantify should also be recognised as measures of accountability.[17]

3.28. Overall, service providers have come to terms with the accountability dimensions of the purchaser/provider model. Government departments can take credit for this part of the educative process.

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[14] sub no1
[15] sub no 10
[16] sub no 15
[17] sub no 15

Competitive tendering and contract negotiations

3.30. By employing the purchaser/provider model government claims that it has the opportunity to assess a number of providers or potential providers and the desirability of providing entry to new providers can be gauged. Competitive tendering allows for the evaluation of potential providers, and it increases the likelihood of economic efficiency and value for money. It discourages inefficient monopolies, lack of choice and rigidities, and allows government to test the market for the best outcomes. These are the positive claims made. They do deserve to be supported by indications of areas where economies might be gained. Service providers are entitled to some specifics as to what the government expects of them in the future.

3.31. Competitive tendering does not readily translate to the provision of human services where a market has failed to achieve social equity and other policy objectives. The committee encountered strong reservations about the application of competitive principles to the hitherto not-for-profit community service sector.

3.32. Rogan/Johnston found considerable concern and confusion around the issues relating to contestability and competition in service purchasing arrangements. They recognised that there has always been a level of competition between providers and potential providers for government funds. They identified concerns regarding the potential for inappropriate application of market theory to the relationships between government and service providers and between consumers and service providers.[18]

3.33. They did encounter general agreement that in many service areas competition can offer government, consumers and the community opportunities to get the best deal for consumers at an efficient price.[19]

3.34. The view was expressed that the bureaucratic process can become an end in itself, serving the needs of the purchasers and providers rather than meeting the needs of the clients. Continuity and stability of the service may well be crucial to a successful outcome (eg. children in substitute care). To provide continuity, many providers require a reliable level of funding to maintain infrastructure as well as that which is necessary to give ‘front line’ service.

3.35. The committee is particularly concerned that there should be a clear policy, communicated to and understood by all community service organisations. It should delineate what services are to be contracted out and under what conditions. It must provide for complete transparency in the

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[18] Rogan/Johnston p45
[19] ibid

tender/selection process and must eliminate the potential for political influences to intrude in the awarding of contracts.

3.36. With regard to contracts *per se* the committee notes that they have included non-negotiable generic clauses and have required reporting arrangements which, for many providers, are out of scale in terms of resources required with the levels of service contracted.

3.37. The committee considers that greater clarification is necessary before the process goes meandering on.

Recommendation 3

3.38. It is recommended that the government should identify areas where it anticipates that contestability will deliver economies without reduction in service levels, and also where it believes that service levels could be reduced without disadvantaging the recipients.

Recommendation 4

3.39. It is recommended that the government should give first priority to the completion of the mapping exercise, defining the services that are to be made fully contestable and those that will remain "protected". The exercise should include definition of those programs that will be purchased competitively on an open price basis, on the cost of inputs, or those that will be purchased at a fixed price.

Recommendation 5

3.40. The results of the mapping exercise should be published, together with the criteria used in selection and the reasoning behind each choice made.

Pricing

3.41. Rogan/Johnston noted that funding has generally been based on inputs combined with what the government could afford at the time. Program managers have often sought to fund more projects at a lower price rather than at higher prices to fewer providers and, in many cases, grants have been thought of as a contribution or subsidy towards the cost of services.[20]

3.42. With little work done in the past on what it costs non-government agencies to deliver services to a specified quality, the government has found it

[20] Rogan/Johnston p58

difficult to value various aspects of management and delivery of services. The issue of pricing is made more difficult because of different policies and practices in relation to client charges, differently sized agencies and the impact of different philosophies, the range of service models and the subsidisation of agency operations by volunteers.[21]

3.43. There is an important connection between price and the quality of services. This has been emphasised by RPR Consulting in its report on quality standards for service provision.[22] RPR Consulting found considerable concern within agencies about slow progress by government in focussing upon pricing issues.

3.44. The committee received evidence that agencies are worried that the absence of a clear policy on quality outcomes will mean that economic efficiency and the lowest price might become the only significant considerations in tender decisions. Conversely they are worried that quality standards might be arbitrarily set at levels which are beyond the capacity of agencies with limited resources.[23]

3.45. Pricing in the context of service purchasing calls for value for money and value for money includes quality as well as the economy of the service provided. The committee is of the opinion that decisions on quality of service will always be subjective. The evaluation tasks that befall departments will never be easy; nor should they be. If departments are to remain something more than a clearing-house for service purchasing contracts then they must be assiduous in the process of 'staying in touch'. They must earn the confidence of service providers as much as they must earn the confidence of clients. Otherwise they will be 'part of the problem', if not the problem itself.

3.46. Service providers, in tendering for the provision of services, must be given clear guidance as to what they need to factor into their prices to meet the quality as well as quantity outcomes required by departments.

3.47. The committee was advised that prices offered to be paid for contracted services do not necessarily bear relation to the cost of providing those services and, in many instances, agencies match delivery to price by reducing service levels.

3.48. There was also a view that a finely tuned tendering process will eliminate any scope for agencies to fund non-productive activities like data collection and analysis, infrastructure replacement, or staff training and development. This gives rise to the conundrum where agencies will be cutting

[21] ibid
[22] Summary Paper based on the RPR Consulting report of the Quality Standards for Service Provision Project pp5/6
[23] ibid p6

down on self-development at a time when they need to develop to meet a completely new operating environment.

3.49. If competition soaks up funding for staff development, the inevitable consequence will be reduced service quality. The government might win economic gains, but they will be achieved at the expense of the clients.

3.50. Completion of the mapping exercise, to the extent of defining the proposed basis for purchasing will go part of the way to giving service providers some of the guidance that they are calling for. Development of more complete guidelines is recommended.

Recommendation 6

3.51. The committee recommends that, in consultation with the community service sector, the government develop and promulgate service purchasing pricing guidelines together with an explanation on the application of the "value-for-money matrix" referred to in the December 1998 issues paper prepared by Craig Johnston.

Reporting requirements

3.52. A common theme in views put to the committee by agencies is that increased reporting requirements and the output driven focus have placed strain upon agency resources, and that the output focus provides only quantitative data and precludes flexibility in service delivery and creates gaps which cannot be addressed.

3.53. This was a particular concern for smaller agencies where time is a premium resource and time-consuming reporting requirements impact upon delivery of the agency's prime service. There was particular support for the Rogan/Johnston recommendation No.20 that recommended that financial accountability requirements should vary according to the size of the service fee or grant.

3.54. There can be no question that appropriate measures of accountability and protection of public funds should be pre-eminent in the contractual processes. However, it is also important that the viability of agencies and their capacity to deliver agreed services should not be impeded by contractual and reporting requirements, particularly those that are out of scale with the services provided.

3.55. It was suggested to the committee that any grant under $100,000 should require less detailed reporting requirements,[24] while another view was that providers with contracts worth more than $50,000 should increase their reporting in the area of quality of services but reduce reporting on administrative or economic indicators. It was argued that agencies with contracts under $50,000 should be required to only submit an annual and an audited report.[25]

3.56. At another level, the committee was advised of the need for consistency with contracts and reporting and the costs for agencies arising from this. One agency with a number of contracts advised that a contract valued at more than $100,000 requires six-monthly reporting while another for a small project valued at $40,000 requires quarterly financial and other reporting inconsistent with the size of the project and unrealistic in terms of resource costs incurred by the agency in meeting the reporting requirements.[26]

3.57. It was further observed that there has been no evidence of the department concerned auditing the consumer focus, flexibility, quality, effectiveness, value for money, access and equity, diversity and choice of partnership and mutuality of the services purchased.[27]

Recommendation 7

3.58. The committee recommends that the government:

(i) review the accountability requirements of service purchasing contracts to ensure consistency with the scale of the contracts concerned and rationality in the requirements; and

(ii) ensure that departments provide agencies with timely feedback on their reports.

Training

3.59. The need for adequate training for agencies under the new purchaser/provider regime was another recurring theme in presentations to the committee.

3.60. Rogan/Johnston proposed a staged approach in the implementation of the purchaser/provider model and the involvement of stakeholders in the development of key aspects of the model including defining outputs, pricing,

[24] sub no 8
[25] sub no 21
[26] sub no 10
[27] sub no 6

quality and accreditation systems and noting that there should be flexibility for agencies in a transition to the model.[28]

3.61. Generally, agencies responding to the committee had difficulties in this area. Non-government agencies are at very different stages of change and as a result require differing levels and types of resources in adapting to the new regime. The committee was advised that agencies need access to training and staff relief to assist them to understand what changes are required to be made and possibly additional resources in order to implement those changes.[29]

3.62. The committee notes the government response to the Rogan/Johnston recommendations numbers 33 - 37 dealing with training and support for not-for-profit agencies. In essence those recommendations called for the government to:
- invest in the effective management and development of provider organisations
- audit their training and support needs with particular attention to the needs of smaller community based organisations and groups
- fund management support and training

3.63. The SPRG position on these matters as indicated earlier in this report is that a whole of government approach to training and support needs is currently being discussed with key community organisations. Interim information and training assistance has been provided in an informal service - specific approach. It was claimed that DHCC undertakes detailed contract discussions with each provider, formally visits funded agencies and has contracted ACTCOSS to provide training on unit cost development. The committee was advised that since 1996 DECS has developed training and support strategies to assist non- - government community based organisations to position themselves in the service purchasing environment. [30]

3.64. The strength of concerns regarding the need for adequate training to assist agencies in adapting to the new purchaser/provider environment indicates to the committee that a much stronger and directed focus should be given to it. Agencies do need assistance in preparing them to compete for funding and to comply with accountability requirements where funding is provided.

3.65. Training for agencies will be needed to strengthen agency ability to implement internal self-assessments and planning processes.

Recommendation 8

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[28] Rogan/Johnston p68
[29] sub no 4
[30] Chief Minister submission attachment A p18

3.66. The committee recommends that the government, in consultation with the community service sector:

(i) review training programs for the community service sector with a view to assisting agencies to plan and evaluate their services and meet contract accountability and legal requirements;

(ii) institute training programs directed towards internal self-assessment and planning by agencies to equip them to meet quality performance standards as these are developed; and

(iii) allocate training funding to achieve maximum cost-effectiveness.

Consultation

3.67. The lack of consultation by departments and issues arising, have been stand-out factors in submissions and evidence from non-government agencies.

3.68. In this regard, the committee notes that while ACTCOSS has been the primary consultant to government on the service/purchasing arrangements, and is a member of the SPRG, it does not represent the many agencies that are not members of ACTCOSS.[31] It was drawn to the committee's attention that all not-for-profit agencies have been deemed to be represented by ACTCOSS or any of the other three community peak bodies appointed by the government to the SPRG whereas there are a significant number which do not consider themselves to be so represented. This has substantially limited the flow of information to all agencies and has effectively prevented adequate consultation with them.[32]

3.69. There is, therefore, a widening gap between agencies which are informed and consulted to a reasonable extent and those which are not and this is competitively disadvantaging the latter.

3.70. The committee recognises and pays tribute to the work of the Peak groups/ACTCOSS in their representative role within the SPRG. However, the concerns of the wider community service sector about the lack of direct opportunity for many agencies to express and have their views acknowledged by government are such that the consultative process should be reviewed.

3.71. The degree of consultation appears therefore to be at the heart of concerns expressed by agencies with some claiming pressure to ignore due

[31] sub no 1
[32] sub no18

process and consultation [33] and some pointing to consultation varying between excellent to completely inadequate and even confrontational and dictatorial.[34]

3.72. It is clear to the committee that departments have varied approaches to service purchasing and this has resulted in inconsistencies and a deal of confusion for agencies.

3.73. It was put to the committee that the roles and responsibilities of agencies have been inhibited by factors such as lack of planning data at an operational level and lack of opportunity to participate in policy development and planning. In this regard, there was comment that the DHCC Catchment Forums referred to earlier in this report had improved the flow of information from DHCC but had not addressed the critical need for effective two-way communication. This had resulted in a loss of confidence by many agencies in their viability and their role and had impacted on performance and retention of skilled staff.[35]

3.74. The committee views the real and perceived lack of consultation as a serious impediment to the development of healthy working relationships between departments and agencies.

3.75. The committee considers it vital that the confidence of this essential and valued community resource be encouraged and retained, and that the benefits to the community of the service/purchasing arrangements be secured. The committee considers that every effort should be made by government to ensure that the sector is kept fully informed on developments with the service purchasing arrangements and to ensure that relationships between departments and agencies are more inclusive and productive.

Recommendation 9

3.76. The committee recommends that the government:

(i) expand the existing service purchasing implementation consultative processes to provide that the SPRG and other consultative arrangements are inclusive of all relevant interests within the community service sector; and

(ii) in conjunction with the SPRG develop and implement a service purchasing reform communications strategy which includes regular briefings and feedback to service providers.

[33] sub no 9 for example
[34] sub no 10
[35] sub no 6

Performance standards -quantitative and quality measures

3.77. Earlier in this report the committee observed that in the context of competitive tendering the market does not necessarily achieve social equity. The inherent difficulty is that the provision of human services cannot be readily defined in terms of standard commodities. For example, a free market does not exist for the provision of services to the poor and needy,[36] and if price alone becomes the determining factor between providers, there is an automatic downward drift of service standards to the detriment of clients. The cheapest provider may be considered before quality of outcomes.[37]

3.78. Generally outputs can more easily be measured than outcomes and quantity measures can more readily be determined than quality of service. [38] The committee accepts that client satisfaction and usefulness of service to a client are difficult to obtain, yet these may be the real tests of an agency's effectiveness.

3.79. Contractual arrangements, if they are to engender proper accountability, must include performance measures. The committee is confident that the community service sector as a whole accepts this position although the concerns expressed above remain. The committee feels that contracts for the provision of human services should, as far as possible, give particular attention to individual agency circumstances in the development of performance measures.

3.80. Measures of performance quality are directly related to pricing as discussed earlier in this chapter.

3.81. As well, the issue of quality standards was raised in the Government submission to the committee dealing with implementation of the Rogan/Johnston recommendations and with recommendations 30-32 in particular. As noted earlier in this report RPR Consulting had been engaged to examine, in consultation with the community service sector, quality standards for service provision.

3.82. RPR Consulting has reported to government on quality standards for service provision and the government has very recently issued a Summary Paper based on the report. The Summary Paper lists the central issues raised by the consultants in relation to the development of a framework for use in quality standards. These are:

- providing for quality to be a central aspect of purchasing and contracts

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[36] sub no 2
[37] subs no 3 & 20
[38] sub no 7

- the content and development of quality standards (and whether there should be generic standards)
- the use of quality standards to achieve quality improvement.

3.83. The Summary Paper indicates that:[39]

- quality should be a central consideration with all service purchasing and that the government should foster good planning
- contracts should require service providers to commit to quality improvement and existing standards, and to meet access and equity principles, and legal, financial and accountability obligations
- framework contracts should specify output performance measures as "baseline requirements"
- quality standards should normally be provided for in a document separate from framework contracts
- pricing should reflect quality expectations
- improved communication between departments and agencies should be a priority

3.84. The findings on two particular matters, pricing in relation to quality of service outcomes and the need for improved communication with the community service sector, confirm the committee's views.

3.85. The Summary Paper refers to the RPR Consulting report findings on generic standards and the proposal that the government develop model generic standards for flexible use across human services, so that the standards may be used directly or be refined for particular services.[40]

3.86. Community service sector input to the development of standards is essential in ensuring a shared understanding between agencies and departments about the purpose of standards. In this regard, the committee urges the government to ensure that agencies are brought into the development of quality standards on the basis of partnership and ownership of the outcomes of that process. The committee considers cooperation and consultation has the greater potential of ensuring support for the outcomes and the implementation of quality reporting standards, the purpose of which is to establish appropriate consumer services.

[39] Summary Paper pp3/7
[40] ibid p10

Recommendation 10

3.87. The committee recommends that the government in consultation with the community service sector and, where feasible, with clients develop:

(i) quality performance standards for inclusion in service purchasing contracts; and

(ii) generic standards for specific service providers.

4. OTHER ISSUES

Social and Community Services (SACS) award

4.1. The committee received evidence that the community service sector is under considerable pressure in relation to the SACS award if it remains unfunded. While volunteers are an integral part of service delivery for a significant number of agencies there is concern that they are being called upon to make up for lack of government funding especially in regard to the lack of supplementation for impact of the award.[41]

4.2. As far as the impact of the SACS award on the level of service provision is concerned, the committee was advised that many agencies were not prepared for it. They had worked out the pay components but they were having trouble with conditions under the award. HACC and DECS funded an advisory service through the Confederation of Industry to assist agencies. The committee was advised that HACC have now funded most of the agencies (with which it has contracted) for the cost of the SACS award from the commencement of the award in 1998 up to the current year at an estimated cost of $800,000 (not including conditions).[42]

4.3. The committee was further advised that the SACS award is being addressed in terms of services being purchased by departments, and that one department has chosen to meet the additional costs involved in order to maintain service levels.[43]

4.4. Nevertheless, the committee noted a view within the community services sector that government hopes to avoid having to provide supplementation for the SACS award through the implementation of the service purchasing model. The implications arising are seen as favouring larger agencies which are better able to meet award obligations, or degrading the workforce as agencies trim staff to those that are affordable at lower than appropriate award classifications. This is having a negative impact on agency forward planning and service management.[44]

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[41] sub no7
[42] trans p15
[43] ibid
[44] sub no 18

Volunteer staffing

4.5. As mentioned volunteers are an integral part of service delivery for a significant number of agencies. Most community non-profit agencies rely heavily upon unpaid volunteers for tasks at all levels including Board representation.

4.6. Concern was expressed regarding the lack of any appropriate or acceptable models for valuing (costing) services provided by volunteer workers. It was asserted that voluntary workers need to identify very strongly with the agency. It was argued that to maintain an efficient and effective volunteer program an agency must ensure appropriate infrastructure and staff support and as this is resource intensive the costs should be factored into the overall provision of services.[45]

4.7. The committee found agreement with the need to identify and rationalise overlaps and service gaps by different agencies. There was concern that this be done by proper consultation and negotiation as indicated in Rogan/Johnston recommendation no.9 which proposed joint community sector/government working parties in specific areas to consider how existing services would be described in terms of outputs and outcomes.[46]

Competition between government and non-government agencies

4.8. Perceptions exist that government agencies have a competitive edge over non-government agencies in that they are better resourced to compete for contracts. The committee pursued the issues with ACT Community Care as a provider of services to government.

4.9. There is a specific example in accommodation support in disability services. From the Government's own "Strategic Plan for Disability Services, 1999" the following quotation merits a second reading – 'This Report indicates a considerable difference between the cost of community accommodation and care places provided by government providers and places provided by non-government providers. These figures indicate that non-government provided 'places' in the ACT (average $18,381 per place in 1997/98) are much less than expensive than government provided places (average $60,467 per place in 1997/98)'.[47] There is a need for clarification and greater justification of this situation.

[45] ibid
[46] sub no 8
[47] Strategic Plan, p22

4.10. Further examination of the same document shows that the ACT provides $15.541 million for Accommodation Support for a claimed 142 clients. This implies an average cost per client of $109,443. The comparison between funding of the government agency and the community agency must be further examined and explained. There may well be logical reasoning, but the figures are so different that the committee can fully understand the disquiet among NGOs.

4.11. Further, the committee was advised that ACT Disability Service's core business, providing primary and community health services such as community nursing and palliative care, has not been put out for competition. The agency does not compete for business which is not within the traditional areas of community health service. [48]

4.12. The committee was advised that as a provider ACT Community Care does not, except for one sub-contract, contract out services which it is contracted to provide for DHCC. It does have contracts with other agencies such as DECS, Department of Veteran Affairs and the NSW Department of Health.[49]

4.13. In response to a query by the committee as to whether ACT Community Care, as part of government, is in a favourable position compared to non-government service providers, it was acknowledged that the agency had advantages of scale. It sought, as much as possible, to cooperate with NGOs on a partnership basis. The committee was assured that ACT Community Care is at arm's length from government, is independent from DHCC, that funding is based upon its contracted prices and that all operational costs are at market rates.[50]

Recommendation 11

4.14. The committee recommends that the government commission an independent evaluation of the relative value for money received from government services as compared to non-government services.

Fragmentation of existing services

4.15. The committee heard from some service providers that they believed that there is a lack of knowledge and understanding within government to guide the purchasing of services and that this has led to fragmentation of existing client services and waste of resources. This view holds that there has

[48] trans 20 August 1999 pp1/2
[49] ibid p5
[50] ibid p6 et seq

been no formal policy input by community sector providers and insufficient policy directives to enable providers to obtain a clear picture of overall strategies or goals. The situation is exacerbated by constant staff changes in purchasing departments and breakdown in informal communication with providers.[51]

Larger agencies and viability of smaller ones

4.16. The committee noted concerns that service purchasing would allow larger agencies to expand at the expense of smaller ones. Early rounds of tenders could create monopolies which would be capable of forcing the smaller providers out of the market. It was suggested that if smaller agencies cannot compete their achievements will be discounted and choice will be limited.[52]

4.17. The committee considers that appropriate consideration should be given to ensuring that the roles and functions of effective and efficiently managed smaller agencies are not overlooked and lost to the community through contracting arrangements.

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[51] sub no6
[52] sub no7

5. IMPLEMENTATION OF THE ROGAN/JOHNSTON REPORT RECOMMENDATIONS

5.1. At the committees' request, the Chief Minister provided a document prepared by the community members of the SPRG and departments on progress in implementing the Rogan/Johnston recommendations.[53]

5.2. The committee notes the government decision to implement the recommendations over a three year period, "in a staged and collaborative manner with due regard to the diverse roles of the community sector"[54] and further notes that not all government agencies have achieved the same stage in implementation of service purchasing.[55]

5.3. The Rogan/Johnston (R/J) recommendations are outlined below and government comment on progress in implementation is also shown. Where relevant, the committee has interposed comment on aspects of implementation which reflect views put to the committee on these matters during the course of the inquiry.

Framework and Directions Statement

R/J Recommendation 1

> The ACT Government should develop and publicise a strategic Framework and Directions Statement which details the Government's general approach to service purchasing, including coverage of roles and responsibilities, guiding principles, the link with social and strategic planning and the nature of the relationship with non - government agencies

R/J Recommendation 2

> Within the operation of service purchasing the primary role of the Government should be to:
> - determine the broad social and economic policy and within this, establish the policy objectives of specific programs and services;
> - through social planning, establish broad spending priorities;
> - purchase services on behalf of the ACT community;
> - provide services in areas where there are statutory or other reasons to do so;

[53] Chief Minister p13
[54] ibid
[55] ibid p14

- develop and administer the regulatory and accountability frameworks for programs and services;
- where necessary, support the effective management of agencies to ensure quality and continuity of services for consumers

R/J Recommendation 3

In the statement of roles and responsibilities, the role of community based or not - for - profit organisations should be to:

- design and deliver services in response to need;
- assist governments to deliver on social programs and objectives;
- mobilise volunteer effort within the community which is of direct value in the delivery of services and fulfils other functions for the volunteers and the wider community;
- encourage community involvement and participation and facilitate input to policy development and planning by government;
- provide a mechanism for and encourage individual and corporate charitable giving.

R/J Recommendation 4

The statement should include a set of principles to guide the implementation of service purchasing across government agencies. The following principles are proposed for consideration; consumer focus; flexibility; quality and effectiveness; value for money; access and equity; diversity and choice, partnership and mutuality; transparency; clarity and simplicity; competitive neutrality; risk management.

Government comment on progress in implementing recommendations 1 - 4

5.4. A Strategic Framework and Directions Statement, published in November 1997 under the guidance of the SPRG, was circulated widely among service providers, government purchasing agencies and the community generally. The Statement provides an overview of the implementation process, the principles involved and the roles and responsibilities of the Government and non-government service providers. [56]

5.5. In order to support the mobilisation of volunteer effort within the community which is of direct value in the delivery of services and which fulfils other functions for the volunteers and the wider community, the Government has introduced whole - of - government funding of $100,000 to assist Volunteering ACT in providing training and support services to volunteers.

[56] ibid Appendix A p3

The Policy Framework/Consultation

R/J Recommendation 5

> The Government should ensure that specific operational purchasing decisions are shaped by the government's broad policy objectives and priorities, that there is good planning data at an operational level, and that decisions at the strategic and operational level continue to be informed through consultation with consumers, service providers and others in the community with relevant expertise.

Government comment on progress in implementing recommendation 5

5.6. Purchasing decisions are now in accord with broad government policy objectives and are informed by strategic plans in specific program areas (e.g. mental health, home and community care services, sexual health services, drug and alcohol services). [57]

5.7. A major health services plan for the ACT for 1998 - 2005 is under development. A major consideration is to more comprehensively engage the community in decisions on service delivery.

5.8. Funding of community organisations through the Community Services Grants Program, the Youth Services Grants Program (YSPG), the Supported Accommodation Assistance Program (SAAP) and the Substitute Care Program of Family Services has historically evolved through submission based funding processes including government mapping and consultation processes.

5.9. The SAAP Strategic Plan 1997 - 1999 outlines Program objectives to the end of the Commonwealth/State SAAP III Agreement. ACT objectives are based on the National Strategic Plan which outlines a range of approaches which inform service purchasing directions.

5.10. The Youth Strategy, soon to be revised, will provide for policy objectives and strategic directions to underpin service purchasing decisions for the YSGP over the next three years.

5.11. DECS is developing a Family Support Policy in consultation with government schools and community sector organisations to provide a specific framework for the planning, provision and purchase of family support services. Service purchasing priorities for these programs are reviewed regularly.

5.12. ACT housing policy is framed within the broad objectives and outcomes of the Commonwealth - State Housing Agreement (CSHA) taking account of

[57] Chief Minister Appendix A p3

specific ACT needs and circumstances. Priorities for funding public and community housing under the CSHA are outlined in the Strategic Plan for Housing Assistance. Consultation in relation to the most recent 1998 - 99 Strategic Plan involved the Minister's Housing Advisory Committee and consultation with other community groups.

5.13. Linkages between policy objectives and service purchasing arrangements have been achieved through the community housing provider Community Housing Canberra Ltd (CHC). 200 properties were transferred from public to community based management following the November 1997 report of the Community Housing Task Force, which included a number of community representatives. A service purchasing contract has been entered into with CHC specifying outcomes and outputs (in terms of quantity, quality, timeliness and cost), reporting requirements, purchase price and payments and other provider obligations.

5.14. The Employment Blueprint for 1998 - 2001, *Pathways to Employment*, provides the government's strategic framework for employment programs. The Office of Business Development and Tourism receives feedback from clients and providers through a bi - monthly Employment Services Industry Forum generally attended by 40 - 50 representatives of non - government program providers and community groups who share information and discuss matters of mutual interest.

The Service Purchasing Contract

R/J Recommendation 6

> As far as possible the description of what is being purchased should include a statement of the Government's policy objectives, the outcomes anticipated from the service or activity, the output measures, particular outcomes being sought and expectations in terms of quality

R/J Recommendation 7

> Where it is difficult to define outcomes, and quality standards have not yet been defined, service specification should be in terms of policy or service objectives, anticipated outcomes and a service plan

R/J Recommendation 8

> The service agreement or contract should avoid specifying how the service is to be delivered except where this is relevant to issues of quality. Provider organisations should have flexibility to select appropriate

methods of working to meet the objectives and achieve the desired outcomes for consumers

R/J Recommendation 17

The Government should streamline its service purchasing agreements by establishing a standard structured format that would apply across all Departments and programs

R/J Recommendation 18

There should be one pro forma funding agreement for one off grants for up to $ 10,000

R/J Recommendation 19

There should be one pro forma purchasing agreement for economic and human services. This could be structured as a core document with five schedules (attachments) for: generic terms and conditions; a summary of all the money received; a service plan indicating the purpose of the service(s) purchased, time frame, and outputs to be measured, customised to the organisation or firm funded; financial accountability requirements; and an asset register

R/J Recommendation 20

The financial accountability requirements for service purchasing agreements should vary according to the size of the service fee or grant, on four scales: short term, once off grants of up to $ 10,000; annual service provision costed between $0 and $50,000; annual service provision between $50,000 and $200,000; annual service provision over $200,000. Arrangements for financial monitoring should also be set with due regard to the considerations listed in Recommendation 12

R/J Recommendation 21

The new documents should be developed as a 'whole of government' exercise, and involve consultation with funded organisations, ACTCOSS and the Institute of Certified Practising Accountants

R/J Recommendation 22

Contracts for the delivery of ongoing services should be of three years duration

Government comment on progress in implementing recommendations 6 - 8 and 17 - 22

5.15. The Government is developing a whole-of-government service purchasing contract for use with the community sector providers with input and feedback from participating agencies and the SPRG and comprises a generic component which is consistent across government, with schedules attached setting out specific arrangements such as purchase price and other factors for each purchasing arrangement.[58]

5.16. DHCC and DECS are piloting the new standard contract for the purchase of 149 different services, with the agreement of the services involved and the SPRG. The ACT Division of the Australian Society of Chartered Practising Accountants has also provided input to the standard contract.

5.17. DHCC purchase contracts with service providers include specifications of outcomes, service specification outputs, performance measures in terms of price, volume and quality, and service standards.

5.18. DHCC recognises the difficulty in defining (and measuring) service outcomes on an individual or population basis, and that in the health and community care sector there is not always a clear linkage between outputs purchased and outcomes achieved. For example, providing a methadone program for 400 people (output) will contribute to, but not wholly achieve, the outcome of treatment access for opioid dependent people in the ACT. Other factors such as treatment attractiveness or cost may impede the achievement of outcomes.

5.19. Contracts with service providers focus on outputs to be provided and do not generally specify how organisations should deploy resources to deliver those outputs. There may be circumstances however where, for reasons of service quality, the contract may be more prescriptive (e.g. clinical pathways and service standards).

5.20. DHCC is trialing the draft standard service purchasing contract for 11 services within its mental health program. The new standard contract is very similar in form to the Health and Community Care contract in use in 1997 - 98 and 1998 - 99.

5.21. A pro forma funding agreement is being used for organisations receiving $10,000 or less irrespective of whether the funding is one-off or recurrent. Apart from changes in the financial accountability requirements for organisations receiving less than $10,000 per annum, currently all other

[58] Chief Minister Appendix A p6

contracts entered into by the DHCC, irrespective of value, contain the same level of financial accountability.

5.22. DHCC has entered into a limited number of multi-year contracts, and will explore the issue further. Agreements with the Commonwealth in the case of cost-shared programs may restrict the ACT's capacity to enter into contracts for longer than a single financial year.

5.23. DECS has taken a similar approach to the purchase of human services. The new standard contract being piloted by DECS for services funded through the Office of Youth and Community Development and Family Services includes a purchased service description and output and performance statements. The purchased service description specifies the nature of the service being purchased in terms of direct services, management services and supplementary services. The output and performance statements specify standard reporting requirements as well as describing what is being purchased in terms of outcomes (the impact on or change for clients), outputs (what an organisation does in delivering services), quality (the level of client satisfaction), quantity (the activity of a service), and timeliness (effectiveness in meeting client needs).

5.24. The outputs and performance statements provide the basis for a six monthly report which can be reviewed by the provider and/or the purchaser.

5.25. The purchased service description and associated output and performance statements are outcomes based and are not prescriptive in terms of service delivery. How a service is delivered is up to the provider to determine but should reflect the provider's ability to meet the purchased outcomes. This way of describing the purchased services supports the continued development of diversity in service delivery models and provides opportunity for customer choice.

5.26. DECS service purchasing contracts valued above $10,000 require the provider to develop a Service Development and Management Statement at the beginning of the contract period. These statements cover matters such as aims and objectives of the service, strategic goals for the contract period, service development strategies for the contract period and service standards, and may be used to review the service at the completion of the contract.

5.27. DECS contracts require provision of an annual budget for the contract period. A financial report is required six monthly specifying any variations more than 10% above or below the budget. All funding is formally audited and acquitted upon the expiration of the contract.

5.28. Amounts below $10,000 are paid in full upon the signing of the contract, amounts above $10,000 are paid quarterly in advance upon the signing of the contract and agreement on an outputs and performance report.

5.29. Most services funded through Children's Day Care Services use the pilot contract. Service purchasing agreements require community consultation on quality of service and twice-yearly reports provide information to government on quantitative aspects of the service.

5.30. A Deed of Agreement between the Commissioner for Housing and Havelock Housing Association (HHA) was entered into for a period of five years from 7 August 1995. The Agreement allows for yearly payments to the HHA which is, in effect, an annual operating subsidy. The Deed of Agreement sets out terms and conditions, such as the appropriate use of funds, the need to keep financial records, preparation of financial statements, provision of statistical information and the development of a management policy which sets out, inter alia, minimum outcome standards. A clearer specification of the services to be purchased in future years is likely to flow from the evaluation of HHA, which is nearing completion. In both the HHA and CHC agreements there is significant flexibility for the agencies to achieve the agreed outcomes.

5.31. Agreements between the Commissioner for Housing and ACT Shelter and COTA are more specific (to fund community consultation and employ a housing options adviser, respectively) and funding is determined annually in the budget context. These agreements are broadly consistent with service purchasing arrangements and will be reviewed and tightened in 1999-2000.

5.32. The Chief Minister's Department purchases employment programs using a standard government contract which has been adjusted to reflect service purchasing arrangements for agreements worth more than $10,000. A simpler letter of offer is used for agreements under $10,000.

The Mapping Exercise

R/J Recommendation 9

> The first step in determining what outputs will be purchased at an agency or program level should be a mapping exercise to determine what is currently purchased and from whom. Having gathered a profile of existing services, the Government could establish joint community sector and government working parties in specific areas to consider how existing services will be described in terms of outputs and outcomes

R/J Recommendation 23

> The Government should establish a minimum data set on the services purchased by purchasing departments. This should be in a common format, comprising data that purchasing agencies require in their service purchases. The minimum data should be pooled in the Chief Minister's Department.

Government comment on progress in implementing recommendations 9 and 23

5.33. In 1997 the Service Purchasing Working Group undertook a mapping exercise to determine across government the services being purchased at that time, and from whom they were purchased. This was the first stage in the description of services in terms of outputs and outcomes. DHCC monitors the outputs it purchases and from whom they are purchased. Outcome and output specifications in a number of DHCC programs are being reviewed at a national level (e.g. national classifications for health and community care services, mental health services and casemix classification systems). [59]

5.34. The implementation of service purchasing by DECS includes reviews incorporating mapping exercises, address how service outputs and outcomes are described in the new contracts and examine contestability.

5.35. Consultants have been reviewing the more important service sectors funded by DECS and DECS has been reviewing smaller sectors such as men's services.

5.36. The DECS reviews have involved consultation with and participation by funded services. Priorities for the reviews will be a focus on sectoral development and on assisting services to position themselves in the service purchasing environment. Mapping exercises will obtain pictures of funded service in relation to the target group, purpose and planned outcomes, service models, practice approaches and cost structures. An outcome will be to develop, where possible, common agreed descriptions of service outputs and outcomes to assist in future service purchasing.

5.37. Child care services are mapped. Providers and government have considered how child care services should be described in terms of outputs and outcomes and these have been incorporated in the service purchasing agreements.

[59] Chief Minister Appendix A p9

5.38. The Service Purchasing Working Group will consider a centralised minimum data set on services purchased in the near future and will provide advice to the SPRG. In the meantime government agencies have included information on purchasing arrangements and grants in their annual reports.

Contestability

R/J Recommendation I0

> The Government should introduce contestability in service purchasing for economic and human services in an appropriate and considered way

R/J Recommendation 11

> The Government should adopt a continuum approach to assessing whether contestability should be introduced in specific service areas, using a set of consistent criteria across government programs

R/J Recommendation12

> The test for where a particular service contract falls on the continuum, and whether it should be fenced or quarantined from contestability, should be based on applying a set of criteria or questions in relation to each program. The criteria could include

- there is a Ministerial direction to subsidise a particular organisation or firm;
- the government has statutory responsibility to deliver a particular service itself or has a duty of care that would be best implemented through direct delivery or risk;
- management is best retained by government on the basis of the precautionary principle;
- the market is of insufficient size to warrant a number of providers;
- the nature of the service requires government to place it in particular locations across the Territory;
- there are adverse consumer impacts such as loss of continuity of service;
- the transaction or opportunity costs outweigh any advantages;
- there would be a demonstrable loss in changing from the particular ethos or philosophy which is a characteristic of existing suppliers; or
- the amount of money involved for the output class or the program.

R/J Recommendation 13

> Implementation of a purchaser/provider model should allow scope for entry of commercial firms to provide services where the test of

contestability indicates that benefits could flow from exposing existing providers to open competition

R/J Recommendation 14

Subject to Recommendation 12, competitive tendering should apply to all new programs or services and to significant enhancements to existing programs

R/J Recommendation 15

Existing programs should be subject to contestability reviews, at an appropriate time in staged implementation of the purchaser/provider model, and conducted over an appropriate period in consultation with stakeholders. The purpose of the reviews would be to assess whether there were good reasons to 'fence' the program from contestability.

Government comment on progress in implementing recommendations 10 - 15

5.39. In accordance with the Strategic Framework and Directions Statement DHCC has to date only used competitive tendering for new programs or where additional funding has become available under existing programs, for example, growth funding under the Home and Community Care Program (HACC). [60]

5.40. DHCC will not always go to tender when there are new funds, particularly if there are issues such as those referred to in recommendation 12 (e.g. market size, services for a particular geographic area and targeting of funds for service development). DHCC is promoting activity based costing and benchmarking as contestability measures for existing service providers, but has not conducted contestability reviews at a program level. Even within programs, the nature of services may be so diverse that contestability principles may not apply to all.

5.41. A number of the larger organisations, particularly those involved in the co-ordinated care trial funded by DHCC, have made considerable progress in the pricing of their services.

5.42. DHCC has awarded contracts to government and non-government providers.

5.43. Until 1997-98, funding under the cost shared HACC could only be provided to not-for-profit agencies. The new HACC agreement will provide flexibility to enter into contracts with commercial providers.

[60] ibid p11 et seq

5.44. All services within the DECS Family Services Substitute Care Program are quarantined from contestability on the basis of recommendation 12 (i.e. the government has statutory responsibility to deliver a particular service itself or has a duty of care that would be best retained by government on the basis of the precautionary principle).

5.45. Implementation of DECS service purchasing arrangements is a staged three year process of assessing contestability of a range of service provisions, determining appropriate purchasing processes including competitive tendering where and if appropriate, and developing service purchasing documentation for contracting purposes.

5.48. In establishing a manageable contestability process, all services were initially tested against the criteria suggested under recommendation 12, and categorised into one of three groups, viz:

- main community infrastructure/essential support services
- services to be included in a series of different service sector reviews to determine potential for contestability
- services funded on an annual basis that meet emerging needs, are pilot and/or innovative and services that are funded to allow for flexibility in their development aspects.

5.46. The implementation process allows for continued review initiated by DECS and/or the sector as a part of the sector development and contract management processes.

5.47. The scope for commercial firms to enter into the provision of DECS funded services has yet to be tested.

5.48. DECS has introduced competitive tendering for new and/or enhanced programs as an implementation principle. Tenders will be developed for

- the integration of services through the Civic Youth Centre
- the development of a range of Aboriginal and Torres Strait Islander youth services through the Woden Youth Centre.

5.49. All funding is potentially contestable but some is currently fenced from contestability. The sector reviews mentioned above will, in consultation with funded services, assess how contestability could be applied in each sector. Funded services will be able to discuss the advantages and disadvantages of opening the sectors to alternative providers and the potential impact of contestability on service users, services and the sector. Contestability reviews will also take note of any special features of services which may affect decisions around whether particular services might be fenced from constestability at any time.

5.50. Occasional child-care services are provided in a variety of different locations by a number of non-profit community organisations. Funded child-care services are managed by organisations which have mostly undergone a tendering process and all are well managed and providing a competitive service. There would be no gain to the government or the community by disrupting any of these services by introducing contestability to them.

5.51. Child-care services will be constantly reviewed using information supplied through service purchasing reporting mechanisms. As Children's Day Care Services also licenses child-care services there are good opportunities to gain feedback about the quality and effectiveness of services.

5.52. Most employment programs purchased by the Chief Minister's Department have been contestable, with some being provided commercially. Funding for Department of Justice and Community Safety services such as legal and welfare advice and financial counselling will be reviewed for contestability as they become due for renewal.

5.53. All purchased housing services are contestable in principle, except for those provided by CHC which is not proposed to be subject to contestability within the foreseeable future. Other agreements will be reviewed for contestability as they expire.

Aboriginal and Torres Strait Islander Programs

R/J Recommendation 16

> In the immediate future, Aboriginal and Torres Strait Islander programs should be fenced from application of contestability. The Government should initiate a separate process of consultation with Aboriginal and Torres Strait Islander communities in the ACT, to determine appropriate funding arrangements. Any such arrangements should take account of the significance of self-determination in service planning, management and delivery of Aboriginal and Torres Strait Islander services.

Government comment on progress in implementing recommendation 16

5.54. Neither DHCC nor DECS has introduced contestability into Aboriginal and Torres Strait Islander programs. However, consultation is underway to develop service specifications to prepare for a tender process of some kind for the establishment of a range of Aboriginal and Torres Strait Islander youth services through the Woden Youth Centre. [61]

Pricing Policy

R/J Recommendation 24

The Government should develop a pricing policy to determine efficient and fair prices for service purchasing. This policy should be developed in consultation with provider organisations that have experience of costing service delivery and familiarity with the structures and functions which contribute to the delivery of effective outcomes. The policy should be based on a principle of fairness and transparency.

R/J Recommendation 25

In setting the price in fixed price tendering, the Government should take account of all relevant cost components in the management and delivery of the service. This includes:

- staff costs
- management and operational costs
- costs involved in meeting any government requirements for involvement in consultation, policy advice and access and equity
- service development and evaluation costs
- training and development of paid staff
- training, co-ordination and insurance relating to volunteers
- training and support of committees or boards of management.

R/J Recommendation 26

Where the Government's price is based on making a contribution to the cost of services, rather than a true cost, this should be explicit in the funding agreement.

R/J Recommendation 27

The Government should review the costs associated with different services in close consultation with service providers, with a view to identifying benchmarks relevant to different service areas. Wherever possible, the government should draw on experience of similar exercises in other states.

[61] ibid p14

Government comment on progress in implementing recommendations 24 - 27

5.55. A purchasing policy consistent with *ACT Purchasing Policy Principles and Guidelines* specifically relating to service purchasing is being developed. This will provide guidance and information of particular relevance to government agencies and community groups involved in service purchasing. [62]

5.56. Departments use either price-competitive or fixed-price tendering in the purchase of services depending on the nature of service that is being purchased, for example:

- price competitive tendering may be used where a department specifies the outputs it wants to purchase in terms of volume and quantity (e.g., a service provider may quote a price to provide care of four disabled people in a group home)
- fixed-price tendering may be used where a set level of funds is available (perhaps established under a funding agreement with the Commonwealth). This would generally apply only to small and medium value contracts. For fixed-price tendering, providers bid on the level and quality of outputs they can deliver for that price (e.g., the number of hours of respite care that can be provided for a fixed price). It is particularly important that all cost components are taken into account in assessing fixed-price tenders.

5.57. Contracts for the Community Services Grants Program, the YSPG and SAAP programs within DECS reflect that the purchase price is a contribution towards the provision of a service rather than fully purchasing a particular service. This policy is in line with the findings of Industry Commission report on Charitable Organisations in Australia No 45 dated 16 June 1995 that funding for community social welfare organisations should be for service delivery programs which have defined outputs or outcomes and where outputs or outcomes cannot be clearly defined, for example community development, payments should fund (or part fund) overheads and staff salaries. Where users of a service make a contribution for the service, this also needs to be taken into account in reaching an appropriate price.

5.58. DECS specifies outputs and outcomes in a descriptive sense rather than in unit price cost terms. Targets set through service management and delivery practices are not specifically linked to delivery of units and purchase price. This allows for a move to fully costed purchase of services in the future if appropriate, although DECS does not recommended such a course for its community based support services.

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[62] ibid p15

5.59. The cost components described in recommendation 25 are an accepted part of established funding processes and, as part of the critical elements in fixing cost and price, have been incorporated into service budgets under the new documentation for DECS contracts. These cost components are essential management requirements for organisations to deliver an efficient and effective service. DECS requires potential provider organisations to address these components as a minimum requirement when developing their tender submissions.

Flexibility and Innovation

R/J Recommendation 28

> The Government should allow for flexibility in implementation of service purchasing in order to support innovation and service development.

R/J Recommendation 29

> The Government should also give consideration to earmarking some resources from relevant program areas to support community and government initiatives directed to innovation, service improvement, research and development and evaluation.

Government comment on progress in implementing recommendations 28 and 29

5.60. There is considerable flexibility in the implementation of service purchasing arrangements. DHCC funds service evaluations and service audits as the need arises, usually in partnership with the service provider concerned. DHCC also supports services development activities such as facilitating the establishment of Community Connections (a non-government organisation providing an information and brokerage service in the disability services area) and innovation in service provision such as an integrated in-home support service. [63]

5.61. DECS is focussing on sector development and the provision of opportunities to explore innovation, strategies for improving quality of service delivery and exploring new service models. Participation and ownership by service providers is a crucial element of these reviews and other strategies undertaken by DECS in implementing service purchasing.

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[63] Chief Minister Appendix A p16

5.62. DECS staff are assisting community based organisations gain a better understanding of the implementation of service purchasing and to identify and facilitate areas for development.

Quality Standards

R/J Recommendation 30

> The Government should embark on a process to consider and develop a "whole of government" approach to quality and accreditation for implementation as part of service purchasing, allowing for flexibility in application to different service areas. A time frame of two years should be allocated for work on these issues.

R/J Recommendation 31

> As a first step, the Government could establish a small task force with representation from key program areas to explore different options and consider what approach to quality and accreditation may be appropriate. The task force would draw on external expertise from the community sector and other sources, and consult with consumers, providers and program staff on the merits of different approaches within the ACT context.

R/J Recommendation 32

> Having determined its approach based on the advice of the task force, the Government should develop a specific implementation plan and identify the resources which will be required to introduce change within service purchasing arrangements.

Government comment on progress in implementing recommendations 30 - 32

5.63. The Chief Minister's Department engaged RPR Consulting to investigate with service providers and purchasers options for quality standards including the adoption of generic standards where appropriate. The first round of consultation, which was widely advertised, began in August 1998. [64] The community sector was involved in the selection of the consultant and the project management.

5.64. DHCC seeks to have service quality measures included in its contracts. These measures include compliance with national standards (HACC and

[64] ibid p17

Disability Standards) and such aspects as the need to have customer complaints mechanisms in place. DHCC will actively pursue compliance with quality standards in its contract monitoring role.

Training and Support

R/J Recommendation 33

> If the Government opts for the contestability continuum approach outlined in this report, and continues to recognise that there are special characteristics of the not-for-profit provider market in human services, it may be reasonable that government makes some investment where necessary in the effective management and development of provider organisations.

R/J Recommendation 34

> The Government might wish to initiate an audit of training and support needs across programs, with particular attention to the needs of smaller community based organisations and groups.

R/J Recommendation 35

> The Government should consider allocating specific funds for management support and training, pooled from existing program allocations.

R/J Recommendation 36

> Assistance to not-for-profit provider organisations should be delivered through independent providers with appropriate expertise to deliver management support and training.

R/J Recommendation 37

> The time frame for implementation of service purchasing needs to allow adequate time for training of program managers and their staff, to provide information and consult with providers and consumers and to purchase training support for managers of non government organisations (where necessary).

Government comment on progress in implementing recommendations 33 – 37

5.65. A whole of government approach to training and support needs relating to service purchasing is currently being discussed with key community organisations. This is a key project in the implementation process, and will be informed by a sector development directions paper prepared by ACTCOSS and the HACC Sector Development Project prepared by Regional Community Services. In the interim, information and training assistance has been provided in an informal service-specific approach. [65]

5.66. DHCC provides a range of support services to assist current and potential service providers. A DHCC seminar on the purchaser/provider model for all funded non-government agencies was followed up by quarterly meetings of funded agencies called Catchment Forums and at monthly meetings of HACC and Disability Services funded programs. DHCC also has contract discussions with each provider, and initiated a formal round of visits to all funded agencies in 1998-99 to discuss service delivery issues such as unit costing and service purchasing arrangements.

5.67. DHCC contracted ACTCOSS to provide training on unit cost development for service providers. An evaluation of the 1997-98 contracting discussions with funded agencies provided positive feedback on the application of service purchasing arrangements in the contracting process.

5.68. Since 1996, DECS has provided resources for a range of training and support strategies to assist non-government community based organisations to position themselves in the service purchasing environment. These include:

- information and training seminars on competition policy and the purchaser/provider concept and the introduction of the pilot contract
- a seminar on the implications of the government's service purchasing review was focused towards the management of organisations
- a current investigation by the SAAP ACT Program Advisory Committee into a range of training modules to be delivered in the next 12 months
- the establishment of program advisory structures and forums to assist in the identification, planning and delivery of appropriate training and support.

[65] Chief Minister Appendix A p18

Implementation Process

R/J Recommendation 38

To support implementation in a co-ordinated way the government will need to:

- enhance the Chief Minister's Department's role and capacity in strategic and social planning;
- continue the Interdepartmental Working Group as an implementation task force;
- nominate a reform facilitator, for example by seconding a senior manager with experience in purchasing services to the Chief Minister's Department.

R/J Recommendation 39

The Government should maintain formal input from provider and consumer interests through a small reference group to advise on key issues. One of the roles of the reference group will be to advise what processes are necessary to ensure adequate stakeholder input to the key development tasks in the first year.

R/J Recommendation 40

The role of Chief Minister's Department in implementation of service purchasing should be to:

- develop broad social and economic policy for the Territory;
- make recommendations on broad funding allocations to departments;
- establish the framework and direction for reform;
- facilitate the development of common guidelines, approaches, contract documents and data collection;
- resource, monitor and drive implementation.

R/J Recommendation 41

The role of functional departments should be to:

- develop policy objectives and operational plans for achieving social outcomes within their portfolio responsibilities, within the framework of the Territory's strategic plan and any national requirements;
- develop program guidelines to achieve these goals and targets;
- determine what services and outputs to purchase or fund;
- assess the degree to which contestability should be introduced in their areas of responsib
- assess the degree to which services should be funded on the basis of inputs, outputs or outcomes;

- set prices for services, within allocated resources;
- invite, assess and manage submissions or tenders;
- ensure services meet accountability requirements for reporting;
- review performance of funded services and evaluate for quality and effectiveness.

Government comment on progress in implementing recommendations 38 - 41

5.69. Implementation of service purchasing arrangements has been underway through the SPRG (recommendation 39).[66] Major topics considered by the SPRG have included:

- development and promulgation of a Framework and Directions Statement
- development of the Service Purchasing Standard Contract
- training for non-government service providers
- a mapping exercise to determine, across government, the services being purchased and from whom as the first stage in the description of services in terms of outputs and outcomes
- a consultancy to develop necessary quality standards for the provision of human services
- a draft pricing and costing guidance paper
- a service purchasing newsletter.

5.70. A key intent of the Rogan/Johnston report was to achieve a consistent approach to service purchasing arrangements across government agencies purchasing services. In order to achieve this, an interagency working group was established to drive, implement and monitor the process at an agency level (recommendation 38).

5.71. The Chief Minister's Department is coordinating the implementation of service purchasing within the government's budgetary and policy framework (recommendation 40).

5.72. With regard to recommendation 41 departments are also accountable for the services they purchase, whether they be from government, non-government or private sector providers.

5.73. Service purchasing by DECS is being achieved through the network of community support organisations. This network has been refined into service sectors or groupings of services. Viewing the implementation of service purchasing in this light and with a particular focus on sector development, DECS is managing the process through:

[66] ibid p20

- sector reviews involving a mapping exercise of currently purchased services, testing for contestability and developing, where possible, common agreed terminology to describe service outputs and outcomes to assist in future service purchasing
- a developmental process to assist organisations to position themselves in the service purchasing environment
- consultations with community service organisations, e.g. with clusters of like services such as regional community service organisations, women's services, youth sector services
- consultative mechanisms for services funded under SAAP, Community Services Grants Program and the YSPG which is generally managed through program forums which focus on a range of issues including program guidelines, current priorities and future developments
- consultations with individual services
- participation in the development of service standards
- monitoring and refinement of policy objectives, program guidelines and the development of relevant implementation/operational strategies.

Ted Quinlan MLA
Chair

ATTACHMENT 1 - WITNESSES AT PUBLIC HEARINGS

14 April 1999

Department of Health and Community Care	Mr G Lee Koo
Chief Minister's Department	Mr S Ellis
Department of Education and Community Services	Mr M White
Care Financial Counselling and Consumer Credit Legal Service	Ms J Power
Barnardos Australia	Ms L Kitchin
	Ms S Tregeagle
Inanna Inc	Ms W Willow
Assisting Drug Dependents Inc	Ms M Cane
	Ms M Delander
Disabled Peoples' Initiative ACT Inc	Mr C Wallace
ACTCOSS	Ms L Morgain
Council of the Ageing	Mr J Purcell
ACT Youth Coalition	Ms M Hunter
Volunteers ACT	Ms M Porter

15 April 1999

ACROD ACT Division	Mr P Bray AM
	Mr J Koina
	Ms M Spalding
Skills for Carers	Ms K Noble
Society of St Vincent de Paul	Mr B Snodgrass
	Mr J Chesworth
Mental Health Resources (ACT) Inc	Ms L Steeper
	Mr I Morison
Parent Support Service	Ms N Miller
	Ms R Alderson-Smith
	Ms M Anderson
YWCA Canberra	Ms A Quadroy
	Ms K Wright
Arthritis Foundation of the ACT Inc	Mr D Ruffin
Mr J Collins	
Community Information and Referral Service of the ACT Inc	Ms P March
	Mr I Krebs

14 July 1999

The committee held *in camera* hearings at which evidence was taken from 17 persons representing seven agencies and personal interests.

20 August 1999

ACT Community Care	Mr M Szwacbord Mr R Cusack Mr T Findlay

ATTACHMENT 2 - SUBMISSIONS

No1	Care Financial Counselling and Consumer Credit Legal Service
NO2	Society of St Vincent de Paul
No3	Barnardos Australia
No4	Regional Community Services
No5	Assisting Drug Dependents Inc
No6	Weston Creek Community Service
No7	Parent Support Service
No8	Mental Health Resource (ACT) Inc
No9	Woden Youth Centre
No10	YWCA Canberra
No11	Handyhelp A.C.T. Inc
No12	ACROD ACT Division
No13	Australian Red Cross
No14	Arthritis Foundation of the A.C.T. Inc.
No15	Inanna Inc.
No16	ACT Government
No17	Carers Association of the A.C.T. Inc
No18	Community Information and Referral Service of the ACT Inc
No19	Mr Jim Collins
No20	Skills for Carers
No21	Disabled Peoples' Initiative ACT Inc.
No22	ACT Council of Social Service Inc
No23	Conservation Council of the South-East Region and Canberra Inc

Committee Reports Published

The committee maintains two series of reports, one dealing with broad issues of financial and public administration, the other dealing with reviews of Auditor-General reports which are presented to the Assembly. Reports presented during the current Assembly to date are:

Report No1	An Independent Council on Competition Policy
Report No2	Draft Principles and Guidelines for the Treatment of Commercial Information held by ACT Government Agencies
Report No3	The Implementation of Service Purchasing Arrangements in the ACT

Public Accounts Committee Reports

No1	Review of Auditor-General's Report No1, 1997 – Contracting Pool and Leisure Centres
No2	Review of Auditor-General's Report No10, 1997 – Public Interest Disclosures – Corrective Services
No3	Review of Auditor-General's Report No5, 1997 – Management of Leave Liabilities
No4	Review of Auditor-General's Report No6, 1997 – Canberra Hospital Management – Control of Salaried Specialists' Private Practice
No5	Review of Auditor-General's Report No8, 1997 – Salaried Specialist's use of Private Practice Privileges
No6	Review of Auditor-General's Report No13, 1997 – Management of Nursing Services
No7	Review of Auditor-General's Report No9, 1997 – Fleet Leasing Arrangements
No8	Review of Auditor-General's Report No10, 1997 Public Interest Disclosures – Lease Variation Charges and Review of Auditor-General's Report No2, 1998 - Lease Variation Charges – Follow-up Review
No9	Review of Auditor-General's Report No12, 1997 –Financial Audits with Years Ending to 30 June 1997
No10	Review of Auditor-General's Report No7, 1997 – Disability program and Community Nursing
No11	Review of Auditor-General's Report No3, 1998 – Major IT Projects – Follow-up Review
No12	Review of Auditor-General's Report No4, 1998 – Annual Management Report for the Year Ended 30 June 1998

No13	Review of Auditor-General's Report No6, 1998 – Assembly Members' Superannuation and Severance Payments to Former Members' Staffers
No14	Review of Auditor-General's Report No8, 1998 – Territory Operating Losses and Financial Position
No15	Review of Auditor-General's Report No5, 1998 – Management of Housing Assistance
No16	Australasian Council of Public Accounts 5th Biennial Conference
No17	Review of Auditor-General's Report No9, 1998 – Financial Audits with Years Ending to 30 June 1998
No18	Review of Auditor-General's Report No11, 1998 – Overtime Payment to a Former Member's Staffer
No19	Review of Auditor-General's Report No10, 1998 – Management of School Repairs
No20	Review of Auditor-General's Report No7, 1998 – Magistrates Court Bail Processes
No21	Review of Auditor-General's Report No1, 1999 – Stamp Duty on Motor Vehicle Registrations
No22	Review of Auditor-General's Report No2, 1999 – Management of Year 2000 Risks – Interim Report