

Productivity Commission Draft Research Report: response from Family Planning NSW

Family Planning NSW (FPNSW) is a non-Government Organisation that delivers predominantly government-funded services in the area of reproductive and sexual health.

FPNSW welcomes the draft research report of the Productivity Commission into the Not-for-Profit (NFP) sector and notes that the document effectively captures both the scope and range of the sector, and recognises the genesis of NFP organisations in community defined and oriented purposes.

FPNSW also endorses the measurement framework that recognises the impacts of NFP activity, including exerting influence, connecting the community and enhancing community endowment.

FPNSW broadly supports the recommendations of the draft report, and wants to draw attention to a number of key issues in the report, which will be itemised below.

Key issues

1. FPNSW notes the observation in the report regarding the effect of the various tax benefits currently enjoyed by NFPs and their effect upon competitive neutrality. Reviewing these arrangements without providing substantial increases in funding to allow for wage parity would have a significant negative impact on the ability of NFPs to attract and retain skilled and qualified staff. In the light of draft recommendation 10.2, however, which articulates the need to purchase community services at a rate indexed to relevant market wages for equivalent positions, such a review would be welcomed.

2. FPNSW endorses the emphasis placed on finding the right model for engagement with NFPs for funding and reporting purposes, including Master Agreements and purchaser-provider arrangements (12.7). Long term and rolling funding arrangements are particularly pertinent to organisations like FPNSW that provide consistent, highly regarded services in communities of need (12.1).

As the draft report acknowledges, reporting arrangements that are inconsistent, idiosyncratic and indicators that are developed without consultation are a source of unproductive effort. Shifting to longer term models as appropriate and making reporting requirements uniform removes unnecessary duplication of effort.

3. FPNSW does not accept the contention that “the comparative advantage of NFPs [in delivery of human services] begins to diminish as community organisations move towards greater differentiation and separation of stakeholder roles and more bureaucratic and less flexible structures” (12.7, citing Billis and Glenerster,1998). Clear ideology, such as FPNSW’s commitment to sexual and reproductive health, and choice with regard to pregnancy, combined with a service culture that embodies that ideology and is publically recognised as doing so, provides the ‘natural advantage’ in service delivery for this organisation.

4. FPNSW sees access to capital as an important issue for well established, medium to large NFPs who may achieve cost efficiencies by buying rather than renting premises. Accordingly, we welcome the establishment of a joint working party on this issue (7.4).

5. FPNSW welcomes the recommendation of greater transparency and accountability regarding gift deductibility status. Philanthropy is a means by which some individuals exercise social connectedness, and this helps to build healthy communities.