

Response by Barnardos Australia to the Productivity Commission Report on Not For Profit Sector

Barnardos Australia welcomes the report of the Productivity Commission and broadly supports the recommendations of the Productivity Commission.

The reforms would produce an environment of more consistent reporting to stakeholders, including public donors and contracting government agencies, encouraging improved governance and stewardship of public funds.

The reforms would also mean greater efficiency in the delivery of services through a reduced red tape and a lessening of duplicative compliance burdens in relation to the grant tendering and acquittal processes.

Draft Recommendation 12.7

The commission asked for specific feed back in relation to recommendation 12.7, how to achieve streamlining of tendering, contracting and acquittal requirements without increasing the complexity of the engagement process or agreements of contracts.

Barnardos Australia supports this proposal but notes the difficulty of implementing uniform standards Australia wide.

Barnardos Australia suggests that the “vanilla” contract should be restricted to governance and financial reporting standards, with the specific reporting of funding goals be on a variable basis, and note the report that in some instances this reporting becomes duplicative. In the Out of Home Sector, New South Wales already has accreditation for the management of Out Of Home funding, where agencies that contract to the Department of Community Services meet an accreditation standard and are audited annually with five year reviews of accreditation. Other states have some other similar legislation in other jurisdictions, capacity to utilise these in any new contracting should be explored.

Draft Recommendation 12.1

Barnardos Australia is concerned that the recommendation 12.1 of moving toward a market-based approach of services can have results that are not anticipated where the market forces override the controls government. A recent example of where the market force model has failed in the Childcare Sector, where the rapid expansion of the ABC childcare centres saw the development of centres in areas driven by the profit motive and the eventual failure of the company. The unintended consequences of funding based on consumer choice with government reimbursement should be fully explored prior to any changes.

Draft Recommendation 12.4

Barnardos Australia has mixed views in relation to the validity of the lead agency model. Where it is used in specific service delivery we fear that it merely transfers the responsibility of contracting and service delivery from the funding body to the lead agency, and adds another level of bureaucracy to the process. It has been successful in specific community development type roles where service delivery is developed on a progressive mode, such as the federally funded communities for children programs.

Draft Recommendation 13.2

Barnardos Australia acknowledges the advantages of the process of change being driven by the federal government, however for any progress to be achieved a number of state legislative blockages will have to be removed and some processes will have to be improved. A time limit to any such federal body would be necessary.

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