



National Commission of Audit

Submission by UnitingCare Australia

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Table of contents

1. Executive Summary	3
2. Introduction	4
3. Context	5
4. Role of Commonwealth Government	5
5. Income Support	6
6. Reducing the Administrative Burden	6
7. State and Commonwealth Responsibilities	7
8. Increasing Contestability of Services	8
9. Public Sector Performance and Accountability	12
10. Consolidating Government Agencies and Streamlining Responsibility	12
11. Conclusion	13
12. Key Messages	14



Executive summary

A review of the scope, efficiency and functions of the Commonwealth government is timely. Australia is a relatively prosperous nation and, despite the structural shift in the fiscal position, the Commonwealth government can afford to fund the things that matter. UnitingCare Australia is committed to being an active participant in the National Commission of Audit process to assist in determining priorities and to help ensure no one is left behind.

UnitingCare Australia is the Uniting Church's national body supporting social services and advocacy for children, young people, families, people with disabilities and older people delivered via the nationwide UnitingCare network. The Uniting Church's commitment to community services is an expression of its vision of equality of opportunity for all people regardless of age, gender, sexuality, ability, class, colour, creed or cultural origin.

UnitingCare Australia notes the Commission has a broad remit to examine the scope for efficiency and productivity improvements across all areas of Commonwealth expenditure and to make recommendations to achieve savings sufficient to deliver a surplus of 1 per cent of GDP prior to 2023-24. We recommend the Commission carefully consider the balance between reducing current expenditure and the need to invest in programs that will enhance the nation's long-term social, economic and fiscal outlook.

Investment now in effective social policy and programs is smart economics:

- helping families escape poverty;
- enabling children to have a positive start and to be life-long contributors to society;
- transitioning more people into a more productive and better-trained workforce; and,
- enabling us all to better prepare for the challenges of an ageing population.

The Commonwealth plays an important role in ensuring consistency in social policy and programs and provides the opportunity for equitable access to a range of social services across Australia. The National Partnership Agreements, associated frameworks and payments provide important safeguards and consistency for individuals and families who access these services. Jurisdictional responsibilities should not be the determinant of whether Commonwealth funding should continue, particularly where such a decision may be detrimental for vulnerable and disadvantaged people. Any recommendation to reduce Commonwealth program expenditure should include an assessment of the impact on the affected category of individuals or families and State or Territory services.

UnitingCare Australia would welcome recommendations to assist in addressing unnecessary, duplicative and burdensome administrative requirements, particularly those applicable to Not-for-profit (NFP) social service providers, brought about by the complex funding and reporting obligations of Commonwealth, State and Territory funding mechanisms.

UnitingCare Australia recommends whole-of-system consideration of effectiveness and efficiency, underpinned by the values of partnership and public value exercised through the co-production of services in a mixed social services economy where the key players are the public sector, Not-for-profits and business. Evidence offshore shows strategies focused on outsourcing government services to reduce the size and scope of administrations based on cost alone can create market distortions and heighten reputational and/or financial risks to governments.

Introduction

UnitingCare Australia welcomes the opportunity to contribute to the work of the National Commission of Audit and is broadly supportive of moves to improve productivity and the efficiency of Commonwealth expenditure, to ensure that all Australians are accorded access to the means and opportunities to fully participate in the economy and community.

UnitingCare Australia represents the UnitingCare network of agencies, one of the largest Not-for-profit (NFP) providers of social services in Australia. The UnitingCare network provides services and supports to one in eight people in Australia each year in every state and territory. The network's 1,300 sites across remote, regional, rural, and urban Australia employ 35,000 staff, supported by 24,000 volunteers, and have an annual turnover of more than \$2 billion.

The guiding principles of our work are that all people have:

- intrinsic value;
- physical, spiritual and social needs;
- a just claim to be heard;
- the right to participate in community as fully as they wish and are able; and,
- the right to opportunities that will enhance their life chances and quality of life.

UnitingCare Australia therefore supports moves to address efficiency and productivity in relation to the outcomes that we seek: a fair and just society in which no one is left behind and where children, in particular, get a positive start in life as part of a generous society that respects the dignity of all people at all stages of life.

Whilst we recognise that the Commission's primary task is to look at the cost of Government and to identify savings, we believe the Commission's findings should explicitly acknowledge the potential social impact of any proposed cuts to programs or activities aimed at supporting and assisting vulnerable and disadvantaged people, families and communities. UnitingCare Australia recommends that the Commission give equal consideration to economic and social wellbeing in making its assessment. We caution against focusing on withdrawing funding or underinvesting in areas of social services as a means to deliver short-term expenditure savings, in particular those programs which support low-income families and individuals across Australia.

The NFP social services sector is an important partner for government and other sectors in the delivery of services and supports to some of the most vulnerable and disadvantaged members of our society. Many policy and legislative decisions, although not specifically targeted at our sector, impact on the Commonwealth's relationship with the NFP sector.

UnitingCare Australia works with and on behalf of the UnitingCare network to advocate for policies and programs that will improve quality of life and is committed to speaking with and on behalf of those who are the most vulnerable and disadvantaged, for the common good. The network uses a whole-of-system approach to supporting people and communities to access the resources and opportunities needed to live a decent life. The UnitingCare network partners with governments, other organisations, communities and people of goodwill.

Context

As a nation, we have experienced decades of strong economic growth. Many Australians enjoy a decent life with access to a wide range of goods, services and infrastructure. However, pockets of enduring social disadvantage persist, despite the best efforts by successive governments to ensure no one is left behind. Vulnerable and disadvantaged families and individuals are missing out, despite our nation's relative prosperity in global terms.

In recent years, the growth of government revenue has retreated due to changes in the revenue base, changes to taxation and the aftermath of the global financial crisis. The recent trend of slower economic growth is expected to increase unemployment and economic stress in the near term, in particular affecting those families who did not participate in the previous decades of prosperity.

The NFP social services sector plays an important role in assisting the most vulnerable and disadvantaged people in this nation and as such we are keen to ensure that any recommendations of the Commission adequately take account of the potential impact on the most vulnerable and disadvantaged people in our communities.

The NFP social services sector has long been recognised as an important contributor to the social and economic fabric of Australian society. Similar to the business sector, we operate within a regulatory environment which is often complex and fragmented and which for NFP entities is further complicated by the way in which government funding is provided.

Although progress has been made and improvements are afoot, significant work remains to be done to make regulation, compliance and contracting less resource intensive. In tackling this agenda we believe that a number of administrative savings will be realised for Government.

UnitingCare Australia encourages the Commission to make findings which would deliver a reduction in red tape, the savings from which could be invested directly into effective social services for enduring social and productivity gains.

The role of Commonwealth Government

The Commonwealth government holds an important responsibility which goes beyond constitutional and jurisdictional considerations.

The Commonwealth Government provides resources, infrastructure and a framework which traverses State and Territory boundaries holding the nation together through the investment in social programs which protect and enhance the economic and social wellbeing of Australia.

UnitingCare Australia believes that fiscally, socially, economically and environmentally sustainable operations of Commonwealth government are essential in delivering outcomes which enhance the prosperity of all Australians – now and into the future.

Income support

UnitingCare Australia strongly recommends that the Commission note the effectiveness and broader efficiencies of investment in social services and supports which deliver an automatic stabilising function for the broader economy, as demonstrated in recent years by European economies during times of fiscal constraints.

UnitingCare Australia has long advocated for the efficient and effective use of public monies and resources by Government and by those agencies and organisations receiving funding and grants from the public purse.

Welfare payments are a key area of expenditure for the Commonwealth government.

The 2011 OECD report *Divided We Stand: Why Inequality Keeps Rising* identified that income inequality between working-age people in Australia was above the OECD average. A key finding was that employment income makes up only one-third of household income in the bottom quintile in Australia (compared to an OECD average of two-thirds), and that allowance (welfare) rates have failed to keep pace with wage growth, which puts jobless households at greater risk of falling into long-term poverty. A key policy recommendation of that report was that government transfers and well-conceived income-support policies¹ are essential for averting further disadvantages for low-income groups.

UnitingCare Australia believes sound income-support policies backed by robust social services are important mechanisms to tackle inequality and provide the appropriate support for all people to be able to participate and contribute to the community and economy as fully as they are able.

Reducing the administrative burden

UnitingCare agencies, similar to other NFP social service providers, are funded from a range of government, self-generated, philanthropic and donor sources.

In providing social services, agencies must comply with regulations set by Commonwealth, State and Territory governments in addition to meeting their own internal reporting requirements. And, like many other organisations, they must also comply with licensing, taxation, health and safety, and other operational legislation, often across several jurisdictions.

Complexity and fragmentation increases the cost of managing regulation and compliance for the NFP sector. NFP entities are forced to divert some resources away from frontline services in order to meet unnecessary and duplicative regulatory and compliance obligations.

Successive government-commissioned reports have concluded that the administrative burden on the NFP sector is significant and have repeatedly recommended that action be taken to streamline, reduce and harmonise regulation for the sector across the Commonwealth, States

¹ Divided We Stand: Why Inequality Keeps Rising, *OECD*, December 2011, Country Note: Australia

and Territories.² The Council of Australian Governments has identified that the red tape framework imposed by multiple levels of government is costly to the NFP sector.³

Multiple processes and requirements associated with government contracts, grants and funding managed by different Commonwealth departments and agencies, each with their own specific practices, are a critical issue for the UnitingCare network.

The Productivity Commission has identified that:

The efficiency and effectiveness of delivery of services by NFPs on behalf of governments is adversely affected by inadequate contracting processes. These include overly prescriptive requirements, increased micro management, requirements to return surplus funds, and inappropriately short-term contracts.⁴

Our research⁵ has shown efficiency savings can be realised by cutting this red tape and that decisive action on this agenda combined with action to redirect those savings would enhance the ability of NFP providers to deliver services and supports to those who need it most.

It is important to acknowledge that progress has been made with revisions to the Commonwealth Grant Guidelines⁶ and through the work of the Australian Charities and Not-for-profits Commission⁷. However, the Commission might consider how the Government can expedite work to streamline contracting, better align reporting and harmonise regulation of the NFP sector to help realise administrative savings for both the sector and Government and to help put the right tools in place to accurately cost regulation and compliance.

State and Commonwealth responsibilities

The experience of the UnitingCare network in providing services to vulnerable people, low-income families and disadvantaged communities has highlighted the importance of a whole-of-government commitment to enabling people to participate and contribute to society at every stage of their life.

The Commonwealth plays an important role in ensuring national consistency in social policy and programs and in providing the opportunity for equitable access to a range of social services.

The National Partnership Agreements and associated frameworks and payments provide important safeguards and consistency for people and families accessing these services. When services and supports are fragmented, or cease without sufficient alternate measures put in place, the risk of people and families “falling through the cracks” is greater.

² Inquiry into the Tax Amendment (Public Benefit Test Bill 2010, *Senate Economic Committee*, 2010

³ Regulatory Impact Assessment of Potential Duplication of Governance and Reporting Standards for Charities, *Council of Australian Government*, January 2013

⁴ Contribution of the Not-for-Profit Sector, *Productivity Commission*, January 2010, p.XXIV

⁵ Increasing Our Impact: Reducing Red Tape for the Not-for-profit Sector, *UnitingCare Australia*, August 2013

⁶ Commonwealth Grant Guidelines Second Edition Financial Management Guidance No.3, *Department of Finance and Deregulation*, June 2013

⁷ Australian Charities and Not-for-profits Commission, <http://www.acnc.gov.au/>, accessed 20 November 2013

Jurisdictional responsibilities should not be the determinant of whether Commonwealth funding should continue, particularly where such a decision may leave vulnerable and disadvantaged people worse off. UnitingCare Australia would urge the Commission to carefully re-consider recommendations that would entail the withdrawal from activity on grounds of jurisdictional responsibility if doing so would leave the vulnerable and disadvantaged worse off.

Increasing contestability of services

Increasing the contestability of services should be achieved in the context of a contemporary understanding of public administration, as best delivered when underpinned by the values of partnership and public value exercised through the co-production of services.

The 1996 Commission of Audit⁸ stated:

There is now greater appreciation that governments can produce better results if they operate more like referees and supervisors, specifying the rules and the results required. Delivery of desired outcomes is usually better if opened up to competition, so that suppliers within and outside the public sector can tender for the services required. Those setting the rules and desired outcomes where possible should be separate from those supplying the services. Referees shouldn't be players as well, and vice versa.

That Commission considered there were three requirements for best practice operations:

- Where possible, program beneficiaries should be given choice: patients should be able to choose hospitals, medical practitioners, and the like; students and parents should be able to choose which school, university or vocational education institution to attend;
- Governments as far as possible should operate as funders of programs, with funding separate from the actual delivery of the services involved. This goes back to the idea that referees shouldn't be players, and vice versa; and,
- Service delivery should be as competitive as possible. Service suppliers, whether public or private, should be required to tender or otherwise compete for the right to deliver government services. Subject to safeguards to protect service quality, this helps ensure service efficiency.

As a consequence, the Howard Government moved on a significant outsourcing-of-service agenda, the legacy of which continues today. Implicit in the Commission's report was the idea that all Government services could be commodified and traded as part of a free-market system underpinned by the assumption that the market (both NFP and for-profit) would deliver better quality outcomes at a lower cost.

The July 2013 report into service sector reform in Victoria⁹, led by Professor Peter Shergold AC, concluded that "a more integrated and coordinated service approach lies at the heart of raising

⁸ National Commission of Audit Report to the Commonwealth Government, *National Commission of Audit*, June 1996 <http://www.finance.gov.au/archive/archive-of-publications/ncoa/coaintro.htm>, accessed 20 November 2013

⁹ Service Sector Reform – A road map for community and human services reform, *Professor Peter Shergold AC*, July 2013,

productivity in the delivery of government services”¹⁰. The report suggested the role of public servants would increasingly be to facilitate co-production of services and that decisions around the most appropriate approach to service delivery should be based on creating public value. Public value refers to the role and impact of public sector activities on a society’s economic and social wellbeing.

A key role of the Australian Public Service (APS), when commissioning public value and considering the efficiency and effectiveness of whole-of-system delivery of services and supports, is to serve as the critically important facilitator of collaboration between the public, business and NFP sectors. Strategic thinking encompassing policy development, effective accountability measurement tools, program design, contract management and funding criteria would then be directed towards which modes of creating public value are the most efficient and effective, including an assessment of which sectors, forms and expertise can be leveraged to achieve required outcomes.

Outsourcing social services allows the Government to harness the expertise of NFPs in meeting the needs of local communities and in particular vulnerable and disadvantaged people and families. However, separating funder from provider has resulted in a vacuum within the APS with policy often developed in isolation from the experience of those required to deliver services. This knowledge gap has caused the NFP sector serious concerns when trying to fulfil government contract obligations and has ultimately impacted on the effectiveness of some programs and service delivery.

UnitingCare Australia urges caution regarding any Commission recommendations to simply reduce the size of the APS, particularly the Department of Social Services, where close collaboration with the NFP sector is necessary and indeed where there is a need for increased investment.

We have seen more effective outcomes for Government, a significant reduction in administrative costs associated with the renegotiation of contracts, and ultimately better results for people assisted by the program, where the funder works closely with providers in the design of the policy and implementation of the program. This process, however, requires resourcing from both the government agency and the NFPs engaged in it. System efficiency and effectiveness would be significantly improved if the Commonwealth invested more resources in the initial design phase.

Recent developments in the United Kingdom demonstrate the need for caution regarding recommendations for the wholesale outsourcing of government services and the creation of faux markets on the assumption that service delivery costs will be reduced.

The UK has outsourced the management and delivery of community and social services as part of its drive to reduce the size and cost of central government. It has also adopted a primary and secondary tier contracting model. Short-term savings have been achieved for the Government via fewer direct contracts, with fewer staff to manage them. Multinational companies are winning large contracts to manage the provision of social and health services, while the service delivery is undertaken by smaller organisations and charities.

¹⁰Ibid, p.4

The UK Government has also adopted a payment-by-results model¹¹ whereby service providers are carrying the cost of delivering a particular service using their own capital to fund it, with payment only guaranteed on the delivery of a specified outcome. The impact of adopting a payment-on-results model has been outlined in the October 2013 report *Ending 15-Minute Care*¹² from Leonard Cheshire Disability, a major UK health and welfare charity. The report highlights that funding against targets has seen the introduction of 15-minute homecare visits, for example, whereby those who receive visits (mainly older or disabled people) must often choose between having medication administered, being assisted to use the bathroom, or having a drink or snack prepared.

The UK Government awarded contracts to (two) private sector companies at an estimated cost of GBP 800 million to assess the work capability of claimants for disability benefits. Assessment was largely made against a complex points-based framework and anecdotal evidence and reports from UK advocacy groups¹³ points to a flawed process, in which hurried assessment interviews are sometimes conducted by untrained and/or unqualified staff who do not understand disability issues, particularly mental health concerns.

While the UK Government may have achieved short-term savings, they have exposed themselves to significant risk. Social Enterprise UK's December 2012 report *The Shadow State – a report about outsourcing public services*¹⁴ found organisations with large stakes in multiple public service markets had become “too big or too complex to fail” and therefore continued to “win” government business even after they had failed to deliver. Smaller providers, often social enterprises and charities, were being forced out even though they had often been identified as “ideal providers”.

The follow-up October 2013 report, *Out of the Shadows? The fall and rise of social value in public services: a progress report*¹⁵, re-examines the trend of outsourcing public services and the role of social enterprises and charities in plugging the gap created by the failure of large (mainly private sector) organisations to meet the Government's minimum standards for delivery and to support those with the most complex health and social needs. The report also outlines how the public sector was forced to take back the delivery of some services due to serious failure by contractors.

The February 2012 *UK Parliamentary Health Committee report on Social Care*¹⁶ identified the need for “joined-up” services for older and vulnerable people. It highlighted how the UK has seen an increasingly fragmented and difficult process for accessing services because of outsourcing and subcontracting service provision and the decline in care which followed this practice.

¹¹ A simple guide to Payment by Results (NHS), *Department of Health (UK)*, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/213150/PbR-Simple-Guide-FINAL.pdf accessed 19 November 2013

¹² *Ending 15-Minute Care*, Leonard Cheshire Disability, October 2013, <http://www.lcdisability.org/?lid=29351>, accessed 19 November 2013

¹³ Work Capability Assessment Action Group – Newsletter Issues One, WCA Action Group (UK), September 2013, http://www.faihaction.net/inc_userfiles/Documents/Events/2013/WCA%20Newsletter%20-%20Issue%201.pdf, accessed 18 November 2013

¹⁴ *The Shadow State – A report about outsourcing public services*, Social Enterprise UK, December 2012 http://www.socialenterprise.org.uk/uploads/files/2012/12/the_shadow_state_3_dec1.pdf, accessed 18 November 2013

¹⁵ *Out of the Shadows? The fall and rise of social value in public services: a progress report*, Social Enterprise UK, October 2013, http://www.socialenterprise.org.uk/uploads/files/2013/10/out_of_the_shadows_report.pdf, accessed 18 November 2013

¹⁶ Health Committee – Fourteenth Report Social Care, House of Commons Select Committee – Health UK, February 2013, <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmhealth/1583/158302.htm>, accessed 18 November 2013

Earlier this year, the UK Department of Work and Pensions carried out an urgent audit of private sector assessments and concluded that their work was “of unacceptable poor quality”. The Department was forced to bring in additional providers to undertake assessments.

Lessons learnt

Public value is not simply a measure of cost but rather a holistic assessment of the outcomes that are achieved through the collaboration between the provider and the Government and it is through this lens that changes to the size, scope and service delivery mechanism of the Australian Public Service should be considered.

The UK experience offers the Commission reason to carefully consider any recommendation to outsource services and activities of the APS based on potential for expenditure savings. The Commission should take particular note that some organisations which have won government contracts in the UK market are now regarded as being too big to fail.

Australia has its own experience of allowing a for-profit provider to become too big to fail with the collapse of ABC Learning in 2008. The impact of ABC Learning’s collapse on families, communities, and employers was significant, and the Government was forced to step into the breach and work with charities, banks and creditors.

Australia can leverage the UK experience in looking to make Government more effective and efficient. Fewer direct contracts for the provision of social services can deliver significant administrative savings. But we would caution against following the UK practice of awarding single large contracts to contract managers who then sub-contract service delivery to other providers.

UnitingCare Australia suggests that developing mechanisms to enable one contract for each provider or group of providers, rather than multiple funding and grant agreements, could be a first step in reducing the number of contracts between Government and NFP entities. This would cut the administrative burden and see more resources directed to frontline service delivery than would likely be the case if contract management was outsourced.

Additional savings can be made by considering the length of funding agreements for NFP social service providers. Measuring and evaluating performance, particularly over the longer-term, requires an ongoing commitment to the program/project itself and sufficient resources to undertake proper evaluation.

The short-term nature of many funding agreements, while mitigating risk to the Commonwealth, limits the capacity for a proper assessment of their effectiveness and increases administration as more funding agreements are required.

Public sector performance and accountability

The Public Governance, Performance and Accountability Bill 2013 (PGPA Bill)¹⁷ sought to deliver a more contemporary legislative framework for the governance, performance and accountability, and the use and management, of public resources by the Commonwealth.

In engaging in the consultation process of the PGPA Bill and the preceding Commonwealth Financial Accountability Review, UnitingCare Australia advocated for government policy goals to be achieved through more effective collaborative arrangements between the Commonwealth and the NFP sector. As such, we highlighted the need for the Commonwealth to appropriately balance risk with the need for flexibility in order to enable government and the NFP sector to best respond to the diverse and changing needs of individuals and communities.

Re-setting accountability and performance measures for the public sector provides an important opportunity to change how the public sector deals with risk. It is our experience that the public sector typically responds to risk by increasing reporting and compliance requirements. Whilst there are a great number of transactional partnerships and agreements that Commonwealth agencies enter into which pose very little risk to the Commonwealth it is critical to understand that the NFP social services sector works to address deep and entrenched social problems that often require long lead times and innovative approaches. Addressing these social problems is inherently risky and progress is not always linear. Therefore, it is essential the APS has appropriate guidance which encourages agencies to work with non-Commonwealth government partners to appropriately manage risk and actively enable the necessary innovation to deliver on common objectives.

UnitingCare Australia encourages the Commission to recommend that the Department of Finance work with the NFP social services sector to develop the rules which will underpin the new Act, so as to maximise its potential benefits for the common good.

Consolidating government agencies and streamlining responsibility

A perennial issue for the NFP social services sector in partnering and collaborating with the Commonwealth is that the issues we deal with do not fit neatly into the portfolios of any single Commonwealth agency. For example, while Commonwealth government policy to address homelessness might sit within the Department of Social Services, we know that the causes of homelessness include unemployment, mental health, access to education, immigration, and other factors which clearly go beyond one portfolio.

Further, because the NFP social services sector uses a people-centred model we must blend or pool funding from different sources to deliver seamless support to individuals which further complicates reporting and compliance obligations for the service provider.

While this process delivers better support to the individual it creates a significant workload for NFP social service providers because we are required to deconstruct our reporting on funding and outcomes to meet individual program/project requirements. This is not simply an

¹⁷ http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r5058, accessed 19 November 2013

administrative challenge; it also inhibits innovation and service delivery because of often inflexible controls around how we can pool funding from different programs to best meet the complex needs of individuals.

UnitingCare Australia recommends that in considering the consolidation of agencies and boards, and of flattening organisational structures and streamlining lines of responsibility and accountability, due attention is paid to how this will impact on organisations that partner with the Commonwealth to deliver community services and supports.

Conclusion

The National Commission of Audit has an opportunity to make recommendations which address the fiscal needs of the Commonwealth government as well as boosting participation and productivity by recognising the importance of investing in effective and well-targeted social programs and supports.

Attention to whole-of-system efficiency and effectiveness has informed the response of UnitingCare Australia to the National Commission of Audit. While acknowledging that this, in part, lies outside the scope of the Commission's terms of reference, it is important to note that the landscape in which the Commonwealth government operates has altered significantly since the last Commission of Audit was undertaken in 1996.

The delivery of public value remains of prime importance and the central role of the public service in government endures, while fit-for-purpose frameworks to manage and deliver services and supports now embrace public, NFP and business entities.

A key role of the public service is to serve as the critically important facilitator of collaboration between the public, business and NFP sectors. In doing so, the public service plays a key role in commissioning public value and delivering whole-of-system efficiency and effectiveness.

UnitingCare Australia believes the Commission of Audit should equally value the economic and social wellbeing of the nation in undertaking its review of the scope, efficiency and functions of the Commonwealth government. We recommend the Commission considers how the Commonwealth could better target resources to help some of the most vulnerable and disadvantaged members of our society, rather than solely focus on activities the Commonwealth could cease or outsource in order to reduce expenditure.

The NFP sector engages with the depth and breadth of Australian society and is a critically important source of advice and information for decision makers. NFP social service providers are an intrinsic part of the social and economic fabric of Australia. Entities such as UnitingCare Australia are at the forefront of tackling the challenges facing our nation.

In making Government more effective and efficient, UnitingCare Australia believes there are many opportunities to help maximise the NFP sector's ability to fulfil its purpose and to meet the increased demand on its services and supports. Reducing the administrative burden for the sector and reducing duplication of demands made on the sector by multiple Commonwealth, State and Territory government agencies would be an effective starting point.

Key messages

A key role of the Australian Public Service is to serve as the critically important facilitator of collaboration between the public, Not-for-profit and business sectors. In doing so, the APS plays a key role in commissioning public value and delivering whole-of-system efficiency and effectiveness.

The delivery of public value remains of prime importance and the central role of the APS in government endures, while fit-for-purpose frameworks to manage and deliver services and supports now embrace public, Not-for-profit and business entities.

UnitingCare Australia:

- recommends that the Commission recognises and resources the critically important role of senior levels of the APS as facilitators of public value and collaboration between the public, NFP and business sectors;
- encourages the adoption of whole-of-system strategic thinking encompassing policy development, effective accountability measurement tools, program design, contract management and funding criteria to ensure the adoption of the most efficient and effective modes of creating public value are the most efficient and effective;
- recommends that the Commission carefully consider the balance between reducing the current expenditure of the Commonwealth government and the need to invest in programs which will enhance the nation's long-term social, economic and fiscal outlook;
- welcomes recommendations which assist in addressing unnecessary, duplicative and burdensome administrative requirements, particularly those applicable to NFP social service providers, brought about by the complex funding and reporting obligations of Commonwealth, State and Territory funding mechanisms;
- notes that significant work remains to be done to make regulation, compliance and contracting less resource intensive and we encourage the Commission to make findings which would deliver a reduction in red tape, the savings from which could be invested directly into effective social services for enduring social and productivity gains;
- urges the Commission to be mindful that sound income-support policies backed by robust social services are important mechanisms for tackling inequality, averting entrenched poverty, and boosting full participation in the economy and community, thereby delivering an automatic stabilising function in the Australian economy; and,
- recommends that increasing the contestability of services should be done in the context of a contemporary understanding of public administration as best delivered when underpinned by the values of partnership and public value exercised through the co-production of services.