



Australian Council of Social Service

ACOSS Submission | 30 September 2009

Joint COSS submission on a Compact between the Australian Government and the not-for-profit sector



COSS SUBMISSION ON A COMPACT BETWEEN THE AUSTRALIAN GOVERNMENT AND THE NOT-FOR-PROFIT SECTOR

Summary of key points

- The COSS network supports the move towards a Compact between the Australian Government and the not-for-profit sector.
- A Compact provides the opportunity to address some of the major issues facing non-profit, community and social services, including establishing mutual respect and understanding between government and our sector; and reforming funding and contracting and regulation policy to ensure that it aids and supports the delivery of quality social services.
- These issues that are vital for the organisations and service users represented by the COSS network are not necessarily reflective of the priorities across the entire not-for-profit sector.
- High-level principles must be outlined as the basis of the relationship between government and the entire not-for-profit sector.
- Sub-sector agreements can then address the issues that are paramount but unique to smaller groupings within the not-for-profit sector.

Prepared by the Councils of Social Service network in Australia:

- Australian Council of Social Service (ACOSS);
- ACT Council of Social Service (ACTCOSS);
- NSW Council of Social Service (NCOSS);
- South Australian Council of Social Service (SACOSS);
- Northern Territory Council of Social Service (NTCOSS);
- Queensland Council of Social Service (QCOSS);
- Tasmanian Council of Social Service (TasCOSS);
- Victorian Council of Social Service (VCOSS); and
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‘There has for too long been a tendency in the UK, and perhaps here, to see the accountability to government as all important. Clearly accountability for money is important, that is basic. But the real and challenging accountability is to the communities we serve.’

Julia Unwin CBE, Chief Executive, Joseph Rowntree Foundation, UK

1. Who we are

The Councils of Social Service across Australia are the peak bodies at the state, territory and national level for the non-profit social service sector. Our members comprise community service providers, professional associations and advocacy organisations. We provide:

- independent and informed policy development, advice, advocacy and representation about issues facing the community services sector;
- a voice for and with Australians affected by poverty and inequality; and
- a key coordinating and leadership role for non-profit social services across the country.

We work with our members, clients and service users, the sector, governments, departments and other relevant agencies on current, emerging and ongoing social, systemic and operational issues.

This submission draws on our experience with Compacts and related processes in states and territories across the country; and from our ongoing involvement in the process towards a national Compact including dialogue with our members, the broader community services sector (the sector) and the Australian Government.

2. The Compact – a vehicle for improving relationships and outcomes between the Government and the not-for-profit sector

We recognise that the Australian Government is committed to a positive social inclusion agenda and is an important partner to the not-for-profit sector’s work towards better outcomes for the lives of all Australians. Having a set of shared goals, vision, principles and commitments can strengthen and add value to Government-sector working relationships. We welcome the development of the Compact as a framework to guide these relationships.

The development of the Compact is an opportunity for open and robust dialogue between Government and the sector. It provides the mechanism to discuss and establish a relationship based on mutual respect, accountability and understanding; and to identify productive ways of working together. Its effectiveness depends upon both parties communicating clearly their expectations of one another and of the working relationship.

3. Developing an effective Compact

It is our experience that the development of a compact is a lengthy and time-consuming process. However, if done well, both the process and the outcome can be rewarding and add value to the Australian community at large. Trust, mutuality and the reciprocal nature of the relationship is built during the rigour of negotiation and discussion of the development of the Compact.

In the interest of having a national Compact that is credible, mutually owned and endorsed, it is important that its development process be given adequate time for genuine and thorough consultation, robust dialogue and strong representation that covers the not-for-profit sector. The process of developing a compact is as important as the end product. A significant enabling factor for its success is the buy-in and ownership from both parties to the agreement. The process must

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allow time for adequate consultation with the broad range of interests it covers, so that they feel wholly included in the process and outcome.

Signatories We advocate the Nonprofit Roundtable as the appropriate body to sign the Compact on behalf of the sector. Signatories must be legitimate in the eyes of those they represent. The sense of ownership by the sector will be further strengthened through enabling the sector to choose its own representatives in terms of signatories to the Compact. The Roundtable plays an essential role in leadership of the sector. Its mission is to be an effective voice on common and shared issues affecting the contribution, performance and viability of non-profit organisations in Australia. Its members include peak bodies and organisations with a significant national presence. It is the logical and appropriate body to represent the sector in negotiations about the Compact and as a signatory to it.

Resourcing The success of the Compact will require ongoing commitment, energy and resources, to ensure that it doesn't remain 'just words on a page'. In particular, it needs a commitment of dedicated resources upfront by the Australian Government to ensure its successful implementation by both the Government and the sector. It is also important for the Compact to include initiatives that cut across Government departments at the Commonwealth level to make it clear that the Compact is about broad sectoral reform, not just contained within the Social Inclusion department.

The ACOSS consultation on a Compact (2008) identified a range of elements that are important to an effective and successful National Compact. These include:

- a clear vision about purpose;
- a decision making process;
- a conflict resolution process;
- dedicated resources for both the Commonwealth Government and the sector to support implementation;
- an agreed plan for implementation and review;
- specific priority areas to be pursued identified, with equal commitment to those areas identified by the Sector;
- Cabinet level structures to support implementation; and
- a specific Minister and an Office for the Not-for-Profit Sector.

Consultation throughout the COSS network has also highlighted the following lessons from existing agreements between government and the sector.

- The aims of the compact should be achievable, not aspirational.
- It is important to determine beforehand who the relationship is between.
- Government must leave space for the sector to develop its own process, otherwise the sector will not develop the ability to promote the Compact over the long term.
- Signatories to the compact should be picked with a view to capacity to keep the agreement alive in the long term.
- Government needs clarity across departments about what a compact can deliver.
- Both parties need an ongoing commitment to building trust.
- States will need to ensure that their own agreements work in the national context.
- To achieve the aim of improving the lives of individuals, the Government and sector need to hear directly from people affected about the role and effect of the Compact.

The importance of these elements is further highlighted in the lessons from other compacts (section 5 below).

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3.1 Two-staged development

There are some commonalities amongst organisations or entities that make up 'the sector'. The defining characteristic of a not for profit organisation is that it does not distribute profits to members. Other features are a formal governance structure, independence from government, autonomy in decision-making and voluntary participation by members (Salamon and Anheier 1997; ABS 2002).

On the other hand, there are issues that are specific and unique to parts of the sector. For example, issues such as funding, award wages, red tape, contracting systems and 'big versus small' organisations are very specific to the community services sector.

Based on responses from ACOSS' Compact consultation (2008), there is strong support from the community services sector for the development of a national compact. Respondents from the community services sector during that consultation process indicated that having a framework with principles to improve the working relationship is important. Respondents also strongly indicated that the Compact needs to 'have teeth' – that it needs to be practicable and able to deliver positive outcomes for the sector.

We recommend that the development of the national Compact be undertaken in two stages. The first stage should be the development of the 'higher level' document that contains an over-arching vision, purpose and a set of principles for the not-for-profit sector. This document should be aspirational and include the broad aims that the sector wishes to achieve.

The second stage should entail specific 'operational documents' with sub-sectors, one of which would be the community services sector. These documents should articulate the practical undertakings and the implementation, monitoring and review arrangements that will make the Compact work.

3.2 Statement of high-level principles

The Compact consultation paper reports that change is needed to improve:

- working relationships between the Government and the sector;
- the effectiveness of policy, planning, programs and services; and
- the ongoing viability of the sector.

It is important that the Compact be an effective tool towards these objectives and that they are reflected in the high-level principles set out in the agreement. Further, it would be beneficial for the national Compact to clearly articulate some goals that both government and the sector hope to attain through a Compact.

We recommend that the vision and purpose of the national compact also take into consideration the responses from the community services sector in the initial consultation conducted by ACOSS (2008). That process identified three complementary purposes that could underpin a national Compact:

- acknowledging the contribution and role of the not-for-profit sector;
- improving the lives of Australians ; and
- protecting human rights.

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3.2.1 Principles for engagement

While the principles set out in the Compact consultation paper are fairly all-encompassing, there is a lack of clarity about how they will operate within the implementation of the Compact. We believe that the language of the proposed principles needs to be strengthened and made more robust. In this section we point to the key issues that should be expressed under principles and indicate some of our concerns with the current language. We also provide the principles contained in the Queensland Compact, as an example of how these issues might be addressed.

Respect The principle of respect is important and needs a clear enunciation of its meaning and implications. It needs to encourage work toward common aims while valuing the distinct and different contributions of all parties to the Compact. For instance, the work of the not-for-profit sector ranges from service delivery to advocacy to stimulating public debate and challenging public policy.

Diversity needs to guarantee recognition of the interests of our culturally and linguistically diverse communities. This principle should recognise cultural and linguistic diversity and that the Australian population is increasingly multicultural, requiring equitable access, appropriate policies and responsive services.

It is vital that the Compact clearly expresses the value of Aboriginal and Torres Strait Islander cultures and recognises the historical disadvantage and contemporary disadvantages experienced by these people and their communities. This position is a pre-cursor to supporting and sustaining community development by Indigenous organisations themselves, which is also an extremely important principle that should be outlined in the Compact.

Effectiveness The implications of terms like 'effectiveness' are many and varied. Often they depend upon how outcomes are measured. Throughout the COSS network, which represents the interests of many small as well as large organisations, there has been sustained concern that principles like effectiveness and efficiency must acknowledge the different ways value can be measured across a sector as diverse as the not-for-profit sector.

This can be achieved through clearer and more precise language in a number of ways. In the concept of *support for learning and improvements through sharing information, research and data* that is outlined in the Compact consultation paper, the meaning would be strengthened by replacing the words 'support for' with 'commitment to'. Other options include 'capacity building and community development' or 'needs based planning and evidence based decision making', which are all concepts that are included in the Queensland Compact.

Efficiency This principle focuses on administrative processes and public accountability. There is a danger that this emphasis will see smaller organisations marginalised from government relations in the interests of larger organisations who are perceived to deliver greater administrative efficiency through their economies of scale. The high-level principles should acknowledge that communities may be best-served by local initiatives, whatever their size or scale, and that this is an important element of efficient and effective community service.

Sustainability

The capacity of the not-for-profit sector to sustain its operations and develop its work is essential, particularly given the goal of greater social inclusion of all Australians. However sustainability speaks to a much broader concept of community and global sustainability as well. The role of the not-for-profit sector is vital here, encouraging community engagement in these ideas and supporting innovative approaches in all aspects of the community.

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3.2.2 The Queensland Compact – Goals and Principles

The Queensland Compact provides a good example of how clear principles can inform the relationships between government and the sector. The Queensland Compact outlines four key goals to that end.

1. Build strong working relationships
2. Improve engagement in planning and policy
3. Improve the sector's capacity and sustainability
4. Continue to improve service quality and innovation.

The following principles underpin these goals.

Principles for Goal 1 — Build strong working relationships

- *Cooperation*: we agree to work respectfully towards our common aims and to respect the distinct contributions of the government and the sector.
- *Independence and autonomy*: we recognise each sector's legal and statutory obligations, and value the community services sector's role in stimulating public debate and challenging government policy.
- *Meaningful communication*: we value ongoing timely and open communication supported by a range of mechanisms that facilitate productive dialogue.
- *Transparency and accountability*: we value clear, open communication about policies and resource allocation, recognising that finite resources are available for competing demands.
- *Appreciation of sector diversity*: we acknowledge that the sector's diversity is a strength, positioning it to respond to diverse community needs through a range of viewpoints, contributions, service approaches and different types and sizes of services.

Principles for Goal 2 — Improve engagement in planning and policy

- *Community participation and engagement*: we recognise the voices of communities, service providers and service users, and value their contribution to policy, program and service development, and planning and review.
- *Needs-based planning and evidence-based decision making*: we recognise the need to use and share relevant information to create a strong evidence base for planning and delivery of effective community services that identify, prioritise and address unmet needs, and target disadvantaged individuals, families and communities.
- *Recognition of community diversity*: we value our diverse communities and recognise local and regional differences and cultural diversity.
- *Recognition of cultural and linguistic diversity*: we recognise that our population is increasingly multicultural, requiring equitable access, appropriate policies and responsive services.
- *Recognition of the interests of Aboriginal and Torres Strait Islander people*: we respect the rights of Aboriginal and Torres Strait Islander people to self determination and self management, and recognise the need for appropriate responses including community-controlled organisations. We value Aboriginal and Torres Strait Islander cultures and recognise the historical disadvantage and contemporary disadvantages experienced by these people and their communities.
- *Capacity building and community development*: we commit to approaches that build on the strengths of people and communities and bring together local resources to meet community aspirations and needs.

Principles for Goal 3 — Improve the sector's capacity and sustainability

- *Future-focused investment*: we support strengthening the sector's capacity to develop, innovate and respond to emerging needs.
- *A sustainable human services workforce*: we commit to strengthening the skills and professionalism of workers and volunteers, recognising that effective service delivery is founded on a strong, skilled and competent workforce.

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- *Recognition and support of volunteers:* we uphold the critical role of volunteers in building a stronger, healthier community and a sustainable future and support the Queensland Government's ambition to support safe and caring communities including the target to "increase by 50 per cent the proportion of Queenslanders involved in their communities as volunteers".

Principles for Goal 4 — Continue to improve service quality and innovation

- *Quality service provision:* we commit to the sustainable delivery of safe, responsive, innovative, client-focussed community services, and to ongoing service improvement.
- *Effective service delivery:* we recognise that the service system should focus on the efficient and effective use of available resources to achieve agreed outcomes.
- *Matching expectations and resources:* we recognise the need to work collaboratively to align agreed service delivery expectations with funding.

3.3 Operational principles

There are a number of examples that could be useful in the development of the operational documents. For instance, the Queensland Compact contains a section of practical undertakings by both parties to the Compact. It contains specific commitments for Government and for the sector, as well as a number of shared commitments. These commitments are further strengthened by clearly articulated implementation and monitoring arrangements for the Compact. A two-year Action Plan was jointly developed to outline the key strategies both parties will undertake to implement their commitments to the Compact.

In order for the national Compact to be useful to the range of sub-sectors, the operational document needs to be relevant and meaningful. The development of a separate compact with each sub-sector will allow the issues that are paramount and unique to each sub-sector to be addressed. Key issues of concern in the community services sector are outlined below. Further information can be found at [ACOSS' submission to the Productivity Commission's Not-for-profit inquiry](#).

i. Funding

Indexation varies between Commonwealth and state or territory agreements and some have no indexation at all. In addition, there is diminishing capacity to pay wage increases and to maintain parity across the sector (between states, territories and federal agreements) and for similar roles in other sectors (government and private enterprise).

ii. Tendering processes and allocation

Tendering should build on successes and sustain investment in a strong and viable sector for the long term. Jumping between service providers undermines this and destabilises the goal of ongoing community development. The trend towards larger providers who sub-contract services leads to duplication in administration and bureaucracy and reduction in the funding available for direct service delivery.

The viability of small and local organisations should be guarded through tendering processes that allow them to build their unique capacity to develop and provide locally relevant, responsive and innovative service models. Competitive tendering should also be careful not to stifle willingness between the sector and government to share information on new initiatives and best practice.

iii. Red tape (at both state, territory and federal levels of government)

There is a multiplicity of standards applied across government in relation to the sector, with significant variations in expectations and requirements both between and within government departments. In particular, the community services sector has supported the development of a standardised Chart of Accounts to streamline reporting on funding. In the same vein, standardising

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performance measures between state, territory and Commonwealth governments will help develop and sustain the value of community services into the future.

4. Implementation and monitoring arrangements

A robust framework for implementing, monitoring and reviewing the Compact is critical to its success. This is a lesson learned from other domestic and international partnership agreements. Additional key lessons from other compacts are outlined below.

Good governance is essential for the effectiveness of the Compact. Given its breadth and scope, we recommend governance committees for each of the sub-sectors covered by operational documents (3.3 above).

- Sub-sector governance committees should involve representation from both the sector and government in their relevant area, such as the community services sector.
- They should oversee the implementation and monitoring of the compact for their respective sub-sectors.
- They should operate along a representational model led by the sub-sector rather than a leadership model (by appointment).

5. Lessons from other Compacts

During the ACOSS Compact consultation in 2008, people with experience using similar agreements in parts of Australia were asked to speak about the lessons learned. Key points from this consultation were as follows.

- The values and intent of a compact needs to be embedded in every day practice and at all levels of relations between the Commonwealth Government and the sector.
- The development and implementation of a compact needs to be well resourced in terms of time, commitment and in financial terms.
- A Compact needs to be enforceable and its success needs to be regularly monitored and evaluated.

Of particular relevance for a National Compact is the lesson that special measures are needed to support smaller organisations and organisations based outside metropolitan areas to contribute to the development and implementation of a compact.

5.1 The ACT Social Compact

It has been the experience in the ACT that the Social Compact has had a disappointingly low impact on the ground in promoting an equal and respectful relationship between Government and the community sector. The key reasons for this identified by the ACT community sector are a lack of knowledge about the Social Compact, and a lack of means to address perceived breaches of the Social Compact. Community representatives have expressed the view that it is difficult to maintain a 'Compact relationship' with Government agencies due to departmental staff turnover, low community sector staff morale and a lack of trust.¹

A recent paper by the Australia Institute found in order for a Compact to be successful it must:

- Be known: government officials and both large and small NGOs whose work falls within the ambit of the Compact must be aware of its existence and understand its implications;
- Be monitored: a check of some sort is required to ensure the commitments made within the Compact are being met. One way the Compact could be assessed is through a regular and comprehensive survey of NGOs;
- Include penalties: a penalty needs to apply if NGOs or government bodies do not comply with the arrangements made in the Compact;

¹ ACTCOSS, 2007, *No Wrong Doors: Towards an integrated mental health service in the ACT*, 18.

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- Have champions: there must be people in both the Australian Government and the NGO sector who firmly support the development and operation of a Compact.²

These four principles must be considered in the development of a national Compact. It is the experience of the ACT that failing to consider these principles means the Compact risks becoming just another document on the shelf, rather than a living document that makes a meaningful contribution to outcomes for the Australian community.

Enforcement The biggest concern about the ACT Social Compact expressed by the community sector is the lack of any enforcement mechanism. The Australia Institute recommends that in order to be successful a Compact must include penalties. However the ACT Compact contains no means of redress when a decision fails to meet the undertakings or reflect the values contained in the Compact.

Much of community organisations' funding comes from Government agencies and organisations rely on government support to continue operation. As a result the community sector faces an automatic power imbalance in respect of the Government. Without a clear means of bringing complaints, ACT community organisations report that they are reluctant to raise issues, as they are rarely given genuine consideration by Government and are often dismissed. In addition, organisations sometimes feel that by raising complaints they are putting funding at risk. Enforcement mechanisms, such as penalties, are required to ensure the imbalance is not skewed too far towards the Government.

Training and Awareness Staff turnover in the community sector is high. In the ACT, poor wages and conditions compared with the Territory and Commonwealth public service, a lack of clearly defined career paths, difficulties in attracting younger workers and an emphasis on short-term project-based positions contribute to difficulties for community organisations attempting to recruit and retain staff.³

Due to this high turnover, many community sector workers in the ACT are unaware of the Social Compact. During consultations for a 2007 ACTCOSS study 'No Wrong Doors' community sector representatives reported that although there was a moderate level of awareness about the existence of the Social Compact, there was little awareness of its detail and almost no explicit utilisation of the document.⁴

Implementation and Evaluation Despite the good intentions of the ACT Social Compact outlined in the shared vision and principles, ACTCOSS is concerned by the lack of detailed guidance in how to implement the commitments and goals. Consultation participants for the 'No Wrong Doors' report indicated they were unclear as to how to utilise the Social Compact, although many felt they should be trying to do something with it and were looking for a way to engage with the document.

Another problem encountered in the ACT is the lack of community involvement in any monitoring process. Although a joint community and government reference group has been established, there is little opportunity for input from the community more generally, nor are documents published and made available to the community on the implementation and use of the Compact. The UK Government produces an annual review document that is tabled in Parliament. This is an improvement on the ACT process as the tabled review is a public document, ensuring a higher level of transparency and accountability.

² Gemma Edgar, The Australia Institute, 2008, *Agreeing to Disagree: Maintaining Dissent in the NGO Sector*, 27.

³ ACTCOSS, 2009, *Prioritising People: A person-centred approach to today's challenges*, 17.

⁴ ACTCOSS, 2007, *No Wrong Doors: Towards an integrated mental health service in the ACT*, 18.

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5.2 Working Together for NSW Agreement

Lessons from the NSW agreement point to the need for Government structures that not only support but *actively enable* the implementation of the Compact at Cabinet level. It is important to ensure responsibility lies with a ministerial portfolio that is not attached to any agency, to ensure the agreement's success at both whole-of-government and whole-of-sector levels. It is also essential that Ministers attend implementation meetings directly. Even then, effective implementation and strong outcomes require time and specified resources attached to them to ensure the Compact is successful. The Compact will not be successful without adequate, specified resources attached to it. More broadly, practical issues should be as central to the agreement as principles. These include funding policy, including indexation and regulatory frameworks. In terms of the principled framework, the NSW lessons underline the importance of clear language. This will ensure clarity about expectations and requirements; and will give the necessary mandate to deliver on outcomes that address practical issues.

It is important that engagement spans the breadth of the not-for-profit sector, including in particular small, Indigenous and regional or rural organisations. A national Compact should have clear intersections with state and territory compacts and their related funding policies. This is important for its effectiveness as well as avoiding more red tape and bureaucracy.

5.3 Queensland Compact

The Queensland Compact was launched on 27 November 2008 and is currently being implemented. Anecdotal evidence to date indicates the clear intention to operate 'in the spirit of the Compact' both by government agencies and the sector. While it is a long road to see these intentions translate into change 'on the ground', there is a strong commitment to explore a different way of working together. An evaluation framework is being developed at the time of writing this paper to measure the change.

A number of important factors contributed to developing a Compact that is credible, recognised, and 'has teeth' in decision making processes for Government and the Sector.

Development stage

The development of the Compact spanned almost 12 months (from November 2007 to November 2008). This enabled ample time for legitimate negotiation on the Compact, rather than merely a consultation of a *fait accompli* document produced within a government agency. This negotiation closely reflected the spirit of collaboration and cooperation embodied in the document itself. The intersectoral workshops (which consisted of government and sector representatives) were characterised by robust dialogue and a genuine intent to make the document meaningful for both parties.

A further contributing factor in the development process was the involvement of the independent consultant. The consultant was able to act as a mediator between both sides of the Compact and ensured that, while the language remained, the document was realistic and achievable.

Lastly, a significant enabling factor in the Compact negotiation was that sector representatives were able to take a strategic approach to their involvement and to be realistic about what to expect from the process. It was recognised the final document might not be 'perfect', but that having a Compact was a huge step forward and created a space for further discussions around the issues facing the sector. The Sector representatives were clear about what was non-negotiable and where they could negotiate positions. This enabled them to develop a document that met the needs of both parties.

Implementation stage

It was stated from the outset of the Queensland Compact negotiations that robust implementation and monitoring arrangements are critical to its success. QCOSS and other sector representatives

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pushed for a number of implementation and monitoring arrangements which were considered 'ideal'. They were achieved with some degree of success.

- Joint governing process through the establishment of a committee responsible for developing and carrying out an Action Plan. The chair of the joint governance committee is independent.
- An independent review of the Compact against its Action Plan to Parliament, with results made publicly available.
- The need to resource implementation of the Compact, with Compact principles and commitments embedded into organisational practice across the sector and government.
- Central agency to take the lead to drive the overall implementation and monitoring of the Compact.

The Queensland Compact is currently being implemented. An independently chaired Compact Governance Committee with 5 members from Government departments and 5 from the Sector is responsible for providing oversight to the implementation of the two-year Action Plan (2008-2010). As an example of its function, its current agenda includes the reduction of red tape and improved sharing of data.

5.4 South Australian 'Advancing the Community Together' and 'Common Ground' Agreements

South Australia currently has two compact-like agreements, 'Advancing the Community Together' and 'Common Ground'. There have been concerns across the sector about the values inherent in the agreements and in their operation, including where value in the sector is recognised by government. Practical considerations have also been a concern, such as reporting processes and signatories to the agreements. Indeed, one important lesson has been the focus on funding and contracts when developing the agreements, instead of maintaining a focus on relationships. It has been argued that 'Advancing the Community Together' has become a document that people work around and that there is no cultural commitment to work collaboratively (ACOSS 2008). By contrast, 'Common Ground' has had a much more positive response from those who have been working with it.

Importantly, all parties have learnt a great deal from 'Common Ground'. SA has just completed development of a new agreement called 'Stronger Together'. It will replace 'Common Ground' and is a significant improvement on the previous document. The sector is very positive about its potential, with a greater focus on relationships and core principles. It is hoped that 'Stronger Together' will be signed in the next two months. This also underlines the importance of structures to review and revise the Compact should that be required.

5.5 Victorian Human Services Agreement

The Victorian Human Services Agreement is between the Department of Human Services (DHS) and the community organisations that it funds. Until a recent machinery of government change, DHS in Victoria was extensive and covered housing, health, disability services, community services and child protection. The new arrangements include a restructured Department of Human Services covering everyone except health; alongside a new Department of Health. The Agreement is managed via a bi-monthly co-chaired Committee and twice yearly meetings attended by sector representatives, the Secretary of DHS and other senior DHS staff.

Prior to the Agreement being developed, the Victorian Council of Social Service and State Government had tried twice to develop a whole of Government compact, unsuccessfully. Participants identified that one barrier to such an agreement being developed was that various state Government departments had competing ideas of what a compact would do for Government that were not easily reconciled. The Human Services Agreement is perceived as a reconciliatory

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document, reflecting that relations between the State Government and the sector had deteriorated in the period before it was developed.

The Agreement has been successful in many respects, providing processes and structures to guide the relationship between the Department of Human Services and funded organisations. It provides “a script” for these relationships. The State Government has made serious attempts to implement a whole-of-DHS view of initiatives that impact on organisations that receive funding, with three year funding agreements being standardised. The Agreement includes a collaboration and consultation protocol and State Government employees have received training in partnership, which has been independently evaluated. The Agreement has been relatively successful in engaging regional Victoria, however it has been less successful in delivering full cost pricing for service delivery. Another priority issue yet to be addressed is the proliferation of information technology and data recording systems and accreditation systems. It has been argued that restricting the Agreement to the Department of Human Services prevented cross-sector workforce issues being addressed effectively (ACOSS 2008). However it is hoped that these issues can be addressed through further development of the Victorian Government’s ‘Action Plan: Strengthening Community Organisations’, which includes a range of actions to address workforce and data management issues across different sectors.

6. Conclusion

The success of a national Compact depends upon an open, consultative process and ensuring that the principles for a strong working relationship are right from the start. But a document alone is not enough to ensure genuine change and an equal partnership between the not-for-profit sector and government. There is also a need for cultural change, in which the work of the community sector is recognised and respected. This requires the good will and genuine intent from all parties. We look forward to working with the Australian Government and the sector towards this end.