



Speech by

## Hon. Kevin Lingard

MEMBER FOR BEAUDESERT

Hansard Tuesday, 7 August 2007

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### COMMUNITY SERVICES BILL

**Hon. KR LINGARD** (Beaudesert—NPA) (3.59 pm): The Community Services Bill 2007 is basically a replica of the Community Services Bill 2006, which lapsed because of the 2006 state election. That bill emanated from an extensive community consultation process undertaken by the government with the community services sector. The bill follows principles adopted in the Disability Services Act 2006. The opposition supported the Disability Services Act and presented many concerns of the non-government organisations. We believe that there is no indication of any significant community opposition to the principles that the government has adopted, and the opposition will therefore support this legislation.

Basically, the Community Services Bill 2007 follows the principles adopted in the Disability Services Act 2006, which was debated for a long time in this House. Because of the extensive period of time that the bill has been out in the community, the bill has come out of extensive community consultation processes designed to update the interrelationship between government and non-government sectors in relation to the provision of financial assistance to community service organisations that was previously provided under the old Family Services Act 1987.

The basic parts of the bill, we believe, provide mechanisms for the following: the determination of standards of services to be delivered by funded service providers—quite obviously, everyone would have to agree that that is something that must be done—the approval of funded service providers, which are very extensive in non-government organisations; the determination of contractual relations between funded service providers and government; the material that must be provided in order to be approved as a funded service provider; the process for cancellation of approved service provider status on certain events including a show-cause process; the provision of assistance by government to approved service providers; the compliance notices to ensure that funded service providers meet appropriate criteria; the capacity to suspend the provision of financial assistance in appropriate cases; the power for the department to monitor the provision of services including the appointment of authorised officers empowered to enter premises on warrant and where appropriate seize items et cetera requiring answers to questions; the power to appoint an interim manager to an approved service provider in order to ensure the continued provision of assistance to clients of the service provider; mechanisms for the review of decisions relating to provision of assistance to approved service providers through the Commercial and Consumer Tribunal; the process for the screening of employees of the Department of Communities and the relevant machinery provisions.

In supporting the legislation, we are obviously aware that we must ensure the systems and processes for giving these organisations assistance are supported by clear, comprehensive and contemporary legislation. The proposed new legislation is obviously intended to be consistent with the other laws affecting the delivery of human services so that we can provide a legislative base for strengthened consumer safeguards and also the service standards, the accountability and the monitoring mechanisms.

It is noted by the opposition that the Community Services Bill furthers this important reform process and aligns the legislation underpinning the delivery of government assistance to community services with other key parts of the human services sector such as housing and disability services. This alignment brings

significant benefits to both community organisations and the clients of services provided by these organisations.

In presenting the opposition's thoughts about this particular legislation, I do not want to refer to relevant cases because I believe this is more of a general bill presenting the outline. However, I would like to refer to *Report to Parliament No. 2 for 2007: Results of performance management systems audit of management of funding to non-government organisations*. I would like to refer to this report, because one of the concerns we all have is how we monitor what the government is doing, how we monitor what the department is doing, and how we monitor whether this department is fitting in with the whole-of-government approach.

Quite obviously there are concerns—concerns that have been reported by the Auditor-General—and some concerns which I referred to in estimates, and in fairness to the minister he gave me the answers that he believed were correct. However, it is relevant to realise that the Auditor-General has concerns. He has said that the audit he put forward examined the frameworks and systems used by the Department of Communities, the Department of Child Safety and Disability Services Queensland to shape and sustain their relationships with non-government organisations. He believes that there are three parts to all grants which can be looked at: firstly, a government either gives or donates money to worthy causes such as scientific and charitable foundations; secondly, the department can shop for or procure specialist socialist services such as disability, counselling and health services for individuals or families in need in our community; or, thirdly, the department can invest through providing infrastructure or training to build and strengthen our local communities.

What the Auditor-General believed from his audit was the following—

It was evident from the audit that there was no whole-of-government framework or coordinated approach to funding and maintaining relationships with the NGO sector.

That is clearly a real concern if in the second paragraph of an auditor's report that is what is said. What he is saying is that regardless of what this department is trying to do the whole of government does not have the facilities for this to be done. The report states—

While some programs were advised by the agencies as being based on the government's policy statements of partnering with the community and strengthening NGOs, the systems used for the financial and accountability processes appeared to imply that the programs were more about buying service delivery capacity rather than investing in the NGO sector.

I know from being a minister of this department that it is very hard for a minister to monitor those types of comparisons, but if we are going to talk about performance management then an Auditor-General has the ability, or should have the ability, to say that this department is not just spending and getting its accounts and its invoices in place but that the department may not be doing the correct thing as far as its own performance management is concerned. I believe that performance management is very important and something which an Auditor-General should be allowed to comment on.

The Auditor-General states in this report—

I believe there is enormous scope across government for greater collaboration and movement towards common standards, and for a reduction in the amount of red tape and compliance activities.

The difficulty with saying in this report that this was needed is whether the department and the government were able to do it. The Auditor-General stated—

There was ... limited evidence of adequate systematic evaluation of programs and service delivery which is driven by the risk profile of the NGOs being funded. A substantial constraint for each department was not having the right information systems in place to inform evaluation, subsequent decision making and final resource allocation.

The Auditor-General said that for him there was an emphasis on compliance rather than accountability. With regard to recommendations for the departments, he states—

The recommendations propose improvement in measuring and aggregating NGO service delivery performance and financial information.

So what we would be saying to the minister is that we definitely need this type of legislation. It is important that the organisations know how they must structure themselves before they apply for funding and how they must structure themselves to get funding. But if it is that the department and the whole of government does not have suitable computer services and ICMS to be able to monitor all of these criteria, then obviously there is a difficulty. The Auditor-General further states—

Based on the audits at the three departments—  
which I mentioned before—

it is my opinion that there is substantial opportunity for sector wide improvement in the governance arrangements, management systems and public reporting of funding to NGOs.

Having asked that question in estimates, I know that the minister has given me an answer and that the department has its own proposals for how it is going to improve its funding and monitoring. But quite obviously we have to look at it and understand whether this has been carried out. As the Auditor-General states—

To enhance governance in funding administration to NGOs it is recommended that the overarching whole-of-government policy framework for grants and subsidies administration is updated to ... clearly acknowledge the various objectives of government in its funding of NGOs; encompass contemporary funding practices and relationship models with NGOs ...

He further says that to promote leadership and accountability there must be agreement on an agency leadership model for engagement with NGOs. The respective roles and responsibilities of agencies for their engagement with NGOs must be documented. The Auditor-General continues—

To streamline funding administration procedures for Ministerial delegations, it is recommended that ... a clear statement of policy supporting Ministerial delegations for grants be developed and effectively communicated to staff ...

What does the minister believe is happening within the department? What is happening with ICMS? There are many criticisms coming from within the department and all bodies about what is happening with ICMS. The Auditor-General's conclusion was quite emphatic. He stated that the existing information systems across departments relating to funding administration to the NGO sector cannot support robust performance monitoring, reporting and evaluation practice. The Auditor-General says of the whole of government that the limitations of the existing systems underpinned by paper based reporting creates inefficiencies and inhibits the provision of useful and timely information. He says that until departments are able to implement effective information systems based on sound and consistent platforms, seamless engagement with the NGO sector will not be possible.

We must remember that the three sections that this first report refers to are disabilities, communications and the third one that the minister looks after. At a whole-of-government level, the government is not maximising its use of existing data and reporting the information to improve sector-wide understanding. The difficulty is that today we are presented with the fourth report to parliament in which the Auditor-General is asking: are departmental output performance measures relevant, are they appropriate and are they a fair representation of performance achievements?

If we look at the first two paragraphs, first of all he states that the specification of outputs, the setting of performance targets and the analysis of performance results is a key requirement for determining the allocation of scarce public sector resources by government in the annual budget and appropriation process. He states that the objective of this performance management systems audit was to assess whether the systems and processes in place at the selected departments support accurate and reliable reporting of output performance information to parliament. He states that trying to assess the relevance and appropriateness of output performance measures and whether the measures presented in public documents fairly represent the performance of the government's output is his concern. Then he states that his opinion is that he found a lack of clarity across the sectors about what are relevant and appropriate performance measures and, in all fairness to the minister, I would say that this is a statement about the whole of government rather than about his own department. Remembering, of course, that this department is one where this really needs to be monitored and programs need to be in place. It is not just within the department, it must also monitor what is happening at a whole-of-government level.

The Auditor-General states that the departments have not developed clear objectives for each of their outputs and there continues to be minimal alignment between the measures reported in the department's strategic and operational plans, the MPS and their annual reports. The Auditor-General states further that the reporting of performance information is a cornerstone of parliamentary accountability and should not be considered just a compliance exercise. He states further that performance information tells the parliament and the community what government is planning to do and what it achieves and that performance information should be balanced, addressing the department's key activities and should report both the good and not-so-good achievements. That is the basis of performance monitoring by the Auditor-General.

Up until now in Queensland in all governments all we have seen is an Auditor-General report that the invoices and the statements all match each other and the payments are correct. We have never had performance monitoring where an Auditor-General can go into a department and say, 'This amount of money has been spent. However, there is a section here which is not receiving any funding and this is where I believe funding should be aimed at.' Or he can say, 'This funding should not have been sent to that department.'

Better performance information is needed for the department, the minister and all stakeholders, including parliament, for a more informed government. In all fairness, that does not just refer to the minister's department, but to the whole of government. The Auditor-General states that clearer public sector guidance on the requirements of the performance management framework is required. Until then it will be difficult for the Auditor-General to issue an audit opinion on the relevance and appropriateness of reported performance measures and whether this information fairly represents a department's output performance. The impression gained during the audit was that not only was the performance information reported to parliament of limited relevance for external stakeholders but also this performance information was not used extensively by the government and departmental officers responsible for resource allocation and monitoring activity.

We support the minister's legislation. I congratulate him on the community consultation that he has gone into, but I would like him to comment on what he believes the Auditor-General's report refers to.