

Media Release

Government responds to Senate Inquiry into botched DSS funding process

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The Federal Government has responded Senate Inquiry findings that their 2014/15 Department of Social Services (DSS) tendering process was destructive, and resulted in a reduction of funding to the sector by \$270 million, and a significant loss of services to the Australian Community.

The response was presented in the Senate out-of-session on 18 January, and will be tabled when Parliament resumes in February 2016.

The Federal Government 'agreed' to four of the recommendations; 'did not agree' with one recommendation; and noted the remaining nine recommendations.

One recommendation agreed to by Government is to, in future, undertake strategic planning of a tendering process; but to also include alternative processes, to ensure there are no gaps in service provision where competitive tendering might not render the best result for the community.

Government has also agreed to return to a five-year contract cycle to ensure stability, so the sector can plan and deliver sustainable services.

The recommendation to publish the final report of the independent review into the DSS grants processes has already been actioned by Government and can be found on the DSS website.

However, Government refused the recommendation to publish the recent analysis of service delivery gaps, stating that "The sensitivity of some information that applicants may have provided in their applications and expectations of confidentiality limit what could be published."

Tasmania's volunteering sector Peak body, Volunteering Tasmania, welcomes a number of the responses by the Federal Government, in particular the Government's commitment to consider how to better undertake tendering processes within the community sector, and their commitment to offer five year contracts where possible.

“Since the Senate Committee report was released, we have seen a change in Prime Minister and in the Minister for Social Services,” said Volunteering Tasmania CEO, Adrienne Picone.

“This is an opportunity for the Federal Government to change the direction for the community sector,” she said.

“We have concerns that the service delivery gaps highlighted in the Senate Committee’s report remain. We urge the Federal Government to reconsider these gaps and to better support the contribution of small community sector organisations,” she said.

The consequences of the DSS tendering process have been serious for Tasmania – for Volunteering Tasmania alone it resulted in the removal of a significant portion of their federal funding.

“We are also concerned about the absence of commitment to funding advocacy for particular organisations. The Federal Government has only supported a selection of peak body organisations, leaving many organisations without sufficient funding, and consequently, leaving their sectors without a voice,” Ms Picone said.

The response highlights the need for the Federal Government to value the role of the community sector/not for profit sector.

The Community Council for Australia estimates that the NFP sector contributes \$107 billion to the national economy, employing over 1 million Australians. Volunteering in Tasmania is worth \$4.9 billion to the State’s economy.

-ENDS-

473 Words

More information:

[Federal Government responses to Senate Inquiry](#)

Volunteering Tasmania is Tasmania’s Peak body for volunteering, and aims to represent the interests of all Tasmanians involved in volunteering through recruitment, research, consultation, policy development, sector advocacy, and community relationships.