

Submission on the Western Australian Government reform initiative

Streamline WA

26 June 2019

The Western Australian Council of Social Service Inc. (WACOSS) welcomes the opportunity to make a submission on the State Government's *Streamline WA* reform initiative to improve regulation and regulatory practice.

WACOSS is the peak body of community service organisations and individuals in Western Australia. WACOSS stands for an inclusive, just and equitable society. We advocate for social and economic change to improve the wellbeing of Western Australians and to strengthen the community services sector that supports them. WACOSS is part of a national network consisting of ACOSS and the State and Territory Councils of Social Service, who assist people on low incomes and experiencing disadvantage Australia wide.

Consumer Engagement

The [Service Priority Review](#) highlighted community expectations for genuine engagement in identifying local needs and co-designing solutions to complex problems to deliver better outcomes. It also found that WA lacks a sector-wide approach to community engagement, and that the kind of genuine cross-agency co-design required to deliver integrated place-based service systems "relies on a level of operational maturity and capability, risk acceptance, and flexibility that is not currently apparent across the WA public sector." We believe there is more capability in this area than is readily apparent and the community sector could make a greater contribution to these endeavours, if provided the opportunity.

The *Service Priority Review* advocated putting citizens at the centre of public service reform to drive the necessary cultural change within the public service and shift its focus to the delivery of public outcomes. WACOSS supports the Review's [recommendations](#) to establish whole of government targets to improve outcomes for the community; to improve the quality of engagement with the community to enable a sharper focus on community needs; and to improve the coordination of service delivery in the regions using co-design processes and place-based models. We believe there is genuine high-level commitment to achieve these outcomes within our public sector leadership, but are concerned there is currently a lack of capacity to focus on these issues inside the public sector, due to the pressing demands of machinery of government reforms and a tendency to fall back on old practices in times of uncertainty (see the [WACOSS submission](#) for more detail).

The Consumer Policy Research Centre recently published the report [Five preconditions of consumer engagement - a conceptual framework: Product information, consumer choice and market engagement](#). To ensure that regulatory interventions meet consumer needs and preferences, it recommends rigorous customer journey mapping research be undertaken to assist regulators and

policymakers better understand how, when and why consumers engage throughout the product acquisition and decision-making process and where they encounter difficulties.

The report also recommends trialling interventions and reforms with consumers, with those trials and tests co-designed and facilitated by a range of organisations, including businesses and community organisations. The outcomes of consumer trials and regulatory intervention should then be published by policymakers, regulators and industry to develop a stronger evidence base that better informs all parties about the effectiveness of various consumer intervention strategies.

WA's regulatory systems for electricity, gas and water in particular were all designed with an expectation that consumer representation would be an active component of market regulation. The presence and availability of capable consumer representatives with the capacity to understand regulatory proposals, monitor market trends, the changing needs and expectations of consumers, and the changing face of utility hardship is assumed in the consumer codes. Retailers are required to consult with relevant consumer organisations, including on their financial hardship policies, meaning that the lack of funded representation impacts not only on customers, but also on industry.

The input of consumers is especially important in markets where there is limited competition because one supplier has dominance, prices are regulated, and the product is a vital service. Funding for independent consumer research and representation in Western Australia can overcome barriers to unequal participation in policy and provide a balance to the interests and claims of business. Maintaining a transparent flow of information and dialogue with consumer groups and frontline community services is necessary to ensure that providers and regulations are responsive to the needs of consumers.

Multiple Contracts

There are many examples where community service providers are already bringing together funding from multiple government departments, programs and grants to deliver a single integrated service – sometimes combining both state and federal funding and charitable donations.

In these circumstances it should be possible to introduce a process across government to agree a single set of service outcome measures that the community service provider reports against across these contracts, and to review funding arrangements with a view to amalgamating existing arrangements into a single aligned contract over time. This would reduce administration and reporting for both public and community sectors, and provides an opportunity to co-develop funding programs driven by community service needs rather than departmental structures.¹ We suggest an open application process driven by relatively simple pro-forma in which the service model can be explained and existing contracts appended.

While this approach will reduce administration and reporting for both public and community sectors, the potential benefits are much wider. A review of existing integrated services that considers the circumstance under which they have emerged, the community need they are responding to and how effectively they are responding to it, provides an opportunity to develop pooled funding programs that are driven by community needs rather than departmental structures. Different service providers

¹ [WACOSS Submission to the Service Priority Review Major Themes 2017 Recommendations page 13](#). See also [WACOSS State Budget Submission 2019-20](#).

may have responded to need and funding opportunities in different ways in different locales, providing an opportunity to compare and contrast the relative effectiveness of different integrated service models.

WACOSS recommendations to the Service Priority review included:

- Put in place **mechanisms** for community service providers who are already delivering integrated service models based on funding from multiple programs, and departments to agree a **single reporting framework** and negotiate simpler funding arrangements moving toward a single contract
- Review existing integrated services to see where there are opportunities to develop **cross-government programs** and (pooled) funding models that deliver better outcomes and reduce administrative complexity.
- Develop a **whole-of-government service integration policy** that puts in place agreed definitions, principles and practices
- Develop a **framework and practice guidelines** for co-designing and jointly commissioning place-based service integration, through trials with *Regional Managers Forums* in partnership with local community services.

Despite a clear commitment in the [WA Labor Supporting Communities](#) election platform, to date the WA Government has struggled to instigate place-based approaches to designing and commissioning more integrated and effective services. While top-down approaches have failed to develop to date, there is a clear opportunity to support a bottom-up process of recognising and supporting local services who have and are developing and delivering integrated services to be supported by a joined-up approach to reporting and funding.

Charity Fundraising

Providing the right balance between protecting the public interest and placing administrative burdens on charities is essential. With State and Territory legislation and regulation simultaneously operating beside a Federal system, creates a fragmented approach with multiple reporting arrangements. In general, these are not providing any increased protection for consumers, but are merely increasing the regulatory burden on charities.

Having state and territory, as well as national registration for fundraising purposes can create significant duplication of financial and operating status reporting and administration. It is worth considering that government contracts with the community services sector, investing considerable public funds, without requiring the level of scrutiny and regulation that is involved in becoming licensed to solicit for public donations. The threshold used when contracting typically involves some level of incorporation and may include reference to an organisation's registration with the Australian Charities and Not-for-profits Commission, presumably due to a recognition of the robustness of the ACNC's compliance regime.

Registration with the ACNC provides public access to considerable information regarding an agency for any potential donor who wishes to evaluate the bona fides of a charity. There are also registers kept by the ATO, Australian Business Register, ASIC and/or State Associations Incorporation regulators, and the Registrar of Indigenous Corporations, among others.

We support the proposal put forward by Justice Connect, ACOSS and the #fixfundraising campaign that centres around an approach that includes:

- Clarification and minor amendment to the Australian Consumer Law to ensure its application to fundraising activities is clear and broad
- The repeal of state and territory fundraising laws, with State and Territory regulators instead focusing on regulating conduct using the Australian Consumer Law or other general laws to take action for misconduct
- A short plain English, mandatory code of conduct for all fundraisers, supported by the work of regulators self-regulatory bodies²

If you would like to discuss this submission further, please contact the WACOSS Research and Policy Development Leader Chris Twomey at chris@wacoss.org.au or 9420 7222.

Yours sincerely,

A handwritten signature in black ink that reads "L. Giolitto". The signature is written in a cursive, flowing style.

Louise Giolitto
Chief Executive Officer
WACOSS

² Justice Connect (2019) *Fundraising Reform* <https://www.nfplaw.org.au/fundraisingreform>