

# Mission Australia

- Operating for 152 years – non profit
- Employ over 3,500 people across Australia
- Over \$440M (AUD) \$340M (EUR) per year
- Operate from over 300 sites
- Deliver more than 550 Services
- Help more than 300,000 people per year
  - Community Services (Families, Youth, Homeless)
  - Employment Solutions
  - Early Learning Services
  - Housing

# Mission Australia

## ■ National Contracts with Government

- Job Services Australia
- New Enterprise Incentive Scheme
- Apprenticeship Access Program
- Australian Apprenticeship Centres
- Indigenous Employment Program
- Communities for Children
- Youth Connections
- Language Literacy Numeracy Program
- Australian Defence Early Learning Services

# Risk

- Balancing the risk between Government Departments and Providers of Services
- The master servant relationship
- Start up costs, Capital intensive services
- The lack of CPI adjustments in income with increasing costs, particularly with lengthy contracts.
- Changes to contracts and Gov't Surplus
- Cash flow issues and using reserves to fund services
- Mission Creep

# Size of Contracts & Complexity

- JSA & NEIS– Deed 156 pg, Guidelines > 300 pg
- ACCESS – Contract 51 pg, Guidelines 79 pg
- AAC – Contract 58 pg, Guidelines > 200 pg
- IEP – Contract 67 pg
- C4C – YC – LLNP Contracts > 100 pg

# Legalese

- Managing the risk and complexity of Government Contracts
- Six internal Legal Counsel
  - Senior Legal Counsel
  - Legal Counsel
  - Two Paralegals
  - Legal Secretary
  - Legal and Client Services Worker

# Funding vs Fee

## ■ Funding

- Guaranteed amount – can budget accordingly
- May need to be cross subsidised
- Heavily administrative, quarterly reports, annual reports, half yearly and audited acquittals
- Cash flow issues

## ■ Fee

- More risk – does the amount cover the service or do we operate at a loss
- Less administration as no acquittals and fewer reports
- Cash flow issues

# Consistency of Policies

## ■ Government Contract Managers

- Is there a national policy, or individual state policies?
- Working through the maze to get the right answer
- Delays in responses that affect delivery

■ As an industry we do have a great opportunity to make changes through our policy

# Challenges and Opportunities

- 2012/13 Government Surplus at all costs
  - Reduced Funding
  - Re-assessing programs
- Macroeconomic environment and uncertainty to invest – Europe – China
- Social Benefit Bonds
  - Private Public Partnerships and in its infancy
- More efficient and less bureaucracy



# Recommendations

- Longer term contracts to guarantee certainty, particularly in disadvantaged areas and for indigenous contracts (10 years funding)
- Devolve contract management to lead providers that engage with smaller providers to deliver services (Communities for Children)
- Fund on outcomes and leave process to us
- Encourage secondments between Government and Non-profit providers for better understanding
- Government being a small provider so they keep in touch with delivery and administration