



We build strong **PEOPLE**
strong **FAMILIES** strong **COMMUNITIES**

YMCA AUSTRALIA

RESPONSE TO THE NATIONAL COMPACT CONSULTATION PAPER

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Section 1: INTRODUCTION

YMCA Australia welcomes this opportunity to provide our views on the current National Compact Consultation Paper. As one of Australia's largest and most well-established not-for-profit organisations, the YMCA in Australia views the development of a National Compact between the Government and the Third Sector as a critical step forward in improving relations and enhancing the service of not-for-profit organisations to the Australian community.

In September 2008, YMCA Australia provided an initial submission to the Department of Family, Housing, Community Services and Indigenous Affairs (FaHCSIA) outlining our support for the development of a Compact for Australia and expressing our views on what the Compact should contain. Since that time, the YMCA has been an active participant in community consultations relating to the Compact coordinated by the Australian Council of Social Service (ACOSS) and we have also been closely engaged with processes and discussions of the National Roundtable of Nonprofit Organisations. YMCA Australia was also an active participant in the July 2009 Compact Workshop held in Canberra.

We have provided our response to the consultation questions below drawing on our experience and expertise across a range of sectors including health and wellness, children's services, disability services, community development and community sport. Our position as a diverse national organisation with over 500 local sites across metropolitan, regional and rural areas of Australia provides the YMCA with a unique and broad perspective on the challenges facing Third Sector organisations and relations with Government at all levels.

Section 2: RESPONSE TO CONSULTATION QUESTIONS

2.1 Vision and Purpose:

Draft Vision

The Government and the Third Sector will work together in partnership to improve social, cultural, civic, economic and environmental outcomes, building on the strengths of individuals and communities. This partnership will contribute to a more inclusive Australian community with better quality of life for all.

Draft Purpose

This national compact represents a commitment by the Government and the Third Sector to work in a genuine partnership to achieve this shared vision. The compact's shared principles provide a foundation for action to improve working relationships, strengthen sector viability and develop and deliver better policy and programs.

- Does the proposed vision sit well with your organisation?
- Is the purpose clear? Does it represent your sense of what this compact can achieve?

While YMCA Australia is broadly supportive of the draft vision as an aspirational statement, there are a number of issues and assumptions underpinning the vision statement that we believe should be addressed if the compact is to move forward and become an instrument of real change. These include, but are not limited to:

- an assumption that a genuine and equal partnership can be achieved when there is an inherent inequality between the Government and the Third Sector, in terms of power, resources, and motivations. While this may not adversely affect the functioning of the Compact, it will be important for the Compact to acknowledge this inequality and reflect a sense of realism about this relationship. Regardless of changes that may occur as part of the Compact, the Government and the Third Sector do not operate from an equal foundation and in many respects it is not in the best interests of either party that they do so;
- the difficulties and challenges in achieving a sense of partnership and collaboration with the Government while operating in the context of competitive tendering for the provision of government services. Historically, the process of competitive tendering has contributed to perceptions of mistrust and a deterioration of effective collaboration between Third Sector organisations and also with Government. In order to address this, the Compact will need to consider how processes of competitive tendering are managed and the adoption of new and innovative approaches in this respect will provide the best possible foundation for the development of true collaboration and effective partnerships.

YMCA Australia agrees with the draft statement of purpose and is particularly supportive of the emphasis on strengthening sector viability. We believe that a critical element of this strengthening will be to ensure an elevation of the status of Third Sector organisations across the whole of Government and also in the broader Australian community. The YMCA also views the development of the Compact as playing a significant role in enhancing the relationship between Third Sector organisations and the private sector in Australia through achieving greater levels of awareness about the Third Sector, a greater level of respect and through developing innovative and creative partnerships.

2.2 The Compact Principles:

As you consider all of the principles discussed below, think about which ones are critical for a stronger relationship between the Government and the Third Sector.

Respect

The principle of respect recognises the importance of valuing the contribution of the Third Sector and of voluntary activity, and the need for respectful relationships based on understanding.

Inclusiveness

The principle of inclusiveness recognises the need for real consultation, engagement and partnership approaches to create better policies, programs and services.

Diversity

The principle of diversity recognises that diversity in the community – and in the Third Sector – is a strength that both the Sector and the Government need to respond to in all aspects of their work.

Effectiveness

The principle of effectiveness recognises that the Third Sector and the Government share a common desire to improve life through cultural, social, humanitarian, environmental or economic activity. Planning and delivery need to focus on outcomes and results, and to continually improve.

Efficiency

The principle of efficiency recognises a need to focus the Government and Sector effort where it counts, balancing accountability requirements with a focus on results.

Sustainability

The principle of sustainability recognises the need for partnership approaches to build the Sector's ability to thrive in the future and to innovate and improve.

- Are these the principles that will underpin a productive working relationship between government and the Sector?
- Are any really important ideas missing?

YMCA Australia agrees with and supports the above principles and in this regard, we believe the value of the Compact will be enhanced if there is a greater emphasis on:

- trust and the acknowledgement that the development of trust needs to occur over a period of time before genuine partnerships can be realised to their fullest extent;
- independence of Third Sector organisations and a recognition of the perception that entering into partnerships with Government has the potential to erode this

independence and the Compact needs to ensure that it maintains the independence of the Third Sector;

- the promotion of equality and an acknowledgement of the inherent inequalities between the Government and the Third Sector. This is also important when considering the relationship between the Third Sector and the Public Service and the challenges faced by many Third Sector organisations in this respect;
- an acknowledgement that while the compact will hopefully provide a long-term foundation towards the improvement of relationships between the Government and the Third Sector, it will not and should not be a 'cover-all' instrument. Much of the intrinsic value and strength of the Third Sector lies in the role it plays external, separated and removed from Government – and it is often this distance from Government that allows Third Sector organisations to truly meet their mission;
- a recognition that Government and the Third Sector will be operating from a different values base, with different motivations and different accountabilities;
- an assurance that the Compact will be bipartisan and that continuity of the Compact will be assured under successive governments and that a National Compact will be built in to state and territory agreements and will have the support of COAG into the future.

2.2.1 Principal of Respect

- Are the concepts of respect and recognition important for your organisation's work and your relationship with the Government?
- Do the compact principles need to include a reference to respect?
- What are the key ideas that need to be included when considering this principle?

The YMCA is very supportive of the inclusion of the principle of respect, particularly in recognition of the value and contribution of the Third Sector. We view this recognition as a critical element in elevating the status of Third Sector organisations and the service to the community and contribution Third Sector organisations make to the Australian community.

We are also pleased to note the emphasis placed on respecting the independence of Third Sector organisations and while the Compact will provide a mechanism for enhancing relationships between the Government and the Third Sector, the Compact will also recognise the value in the independence of both parties to the agreement.

2.2.2 Principle of Inclusiveness

- Are the concepts of inclusiveness in consultation and advocacy important for your organisation's work and your relationship with the Government?
- Do the compact principles need to include a reference to inclusiveness?
- What are the key ideas that need to be included when considering this principle?

The capacity to achieve inclusiveness through genuine consultation with the Third Sector will be one of the key challenges in developing and implementing the National Compact. The sheer diversity of the Third Sector in Australia is perhaps the primary challenge, as is the ability and capacity of representative bodies and peak organisations to adequately and effectively advocate and represent the issues and concerns of their constituent organisations.

YMCA Australia would like to indicate its support for a model of representation that is based on the revision and expansion of the National Roundtable of Nonprofit Organisations. The Roundtable brings together representatives not only from the social welfare sectors, but also and equally importantly from the environmental, sports, education and arts sectors. As an existing and currently functioning body with sound governance arrangements and mechanisms of communication with the sector in place, we believe that the Roundtable, with an expanded membership, will be the best vehicle to carry the Sector forward. We believe this will be an important development, not only in terms of the Compact and ongoing consultation with Government, but will contribute to greater and more sustained sector development into the future.

2.2.3 Principle of Diversity

- Are the concepts of valuing and responding to diversity important for your organisation's work and your relationship with the Government?
- Do the compact principles need to include references to diversity?
- What are the key ideas that need to be included when considering this principle?

Valuing and responding to diversity is critically important for the YMCA. While we are a national organisation, the YMCA responds to the changing and diverse needs of the local communities in which we operate.

The key challenge for the Government and for the development of a Compact will be to recognise the diversity of the work undertaken by organisations such as the YMCA when we work across a range of sectors including:

- health and wellness;
- community development;
- children's services;
- disability services;
- sports;

- outdoor education; and
- The YMCA also has a large volunteer base.

One of the most challenging aspects of the Compact will be to ensure that the diversity in size and geographical location of Third Sector organisations is acknowledged and respected and that smaller organisations and those outside metropolitan areas and larger urban centres are supported, both in terms of resources and engagement with Government.

Within the Third Sector there is also a high degree of diversity in organisational structure and many differences in the ways that Third Sector organisations are funded. The YMCA, for example, is far less reliant on government funding than many other organisations which means that we would perhaps have a different relationship with Government than other organisations. It will be important for the Compact to acknowledge diversity in this sense, to ensure that organisations that may not have, or may not need to have, a strong funding relationship with Government can have the opportunity to build equally effective engagement with Government in areas of policy and program development.

There is also diversity within the Third Sector with regard to the functions and approaches of organisations. The YMCA is primarily focused on prevention, rather than crisis intervention and we believe it will be critically important for the Compact to acknowledge that a variety of approaches are important, particularly when addressing issues of social exclusion.

2.2.4 Principle of Effectiveness

- Are the concepts of effectiveness important for your organisation's work and your relationship with the Government?
- Do the compact principles need to include references to effective and improving policy, planning and program delivery?
- What are the key ideas that need to be included when considering this principle?

YMCA Australia is highly supportive of the need to focus outcomes on individuals and communities and this focus has been a central component of our focus on building strong people, strong families and strong communities. Another key element of effectiveness is to build innovation and improve quality of service delivery at a local, community level. The YMCA in Australia is uniquely situated in this regard in that we have demonstrated success in delivering locally-derived and responsive initiatives and programs while drawing on the strength and support of a national organisation. This not only means that the YMCA can continue to respond effectively to the changing needs of our local communities, but that we also have the viability and strength to continue to work on a national level and remain innovative in our program delivery.

While YMCA Australia acknowledges that the principle of effectiveness involves the need for proactive planning, greater sharing of information and data and support for innovation it will be critical for these processes to be adequately resourced. One of the greatest challenges for

many Third Sector organisations is that without ongoing, core funding the capacity for innovation and improvements to efficiency and effectiveness can face significant limitations.

An important consideration will also be to ensure the ongoing effectiveness of the Compact through a significant and long-term investment on the part of the Government towards infrastructure to support the implementation of the Compact. This will not only be critical for the implementation of the Compact, but also for the continued monitoring and evaluation of the Compact and to ensure these processes are appropriately resourced.

2.2.5 Principle of Efficiency

- Are the concepts of efficiency important for your organisation's work and your relationship with the Government?
- Do the compact principles need to include references to efficiency and accountability, planning and program delivery?
- What are the key ideas that need to be included when considering this principle?

YMCA Australia is supportive of reforms to regulatory frameworks that streamline processes for Third sector organisations and ease the regulatory burden to ensure the delivery of optimum efficiency and effectiveness. We also acknowledge the need for continued improvement within the Third Sector regarding accountability and transparency processes that will be better supported through consistent and clear national standards. YMCA Australia is highly supportive of moves towards harmonisation of legislation and regulatory frameworks at a national level to ensure that Third Sector organisations have an improved awareness of government and public expectations regarding accountability and transparency mechanisms.

We would also like to encourage a greater investment on the part of Government towards improved understanding and awareness of the challenges facing the Third Sector in terms of efficiency issues across the whole of government and throughout the Public Service. For the Compact to drive the principle of efficiency there will need to be a concerted effort on the part of Government to ensure that the Compact is truly acknowledged, accepted and activated across all aspects of Government in an integrated approach that also includes the various mechanisms through which the Third Sector engages with the Public Service.

2.2.6 Principle of Sustainability

- Are the concepts of sustainability important for your organisation's work and your relationship with the Government?
- Do the compact principles need to include references to sustainability?
- What are the key ideas that need to be included when considering this principle?

While YMCA Australia agrees that principles of sustainability need to be a cornerstone of the Compact, there are some important elements that need to be considered in order to appropriately support sustainability in the Third Sector, including:

- Commitments to core funding: for many organisations the erosion of core funding over the past decade has left many service providers in precarious and unsustainable positions. Without appropriate levels of core funding, many Third Sector organisations have serious limitations on their capacity to grow and develop and engage in program innovation.
- Support and development of the Third Sector workforce: One of the longest-standing issues for Third Sector development has been the capacity to attract and retain skilled and qualified personnel. Elevating the status of the Third Sector within the community and within Government in addition to more sustained funding partnerships will assist in supporting the Third Sector workforce to innovate and retain a strong skill base.
- Support for small organisations and rural and regional organisations: It will be important for the Compact to recognise the particular needs of small and, in particular, non-metropolitan organisations that often face serious sustainability challenges in regional, rural and remote areas.

It will also be critically important to ensure the sustainability of the Compact itself through:

- the adoption of bipartisan support for the Compact;
- a long-term commitment to the provision of resources for the Compact; and
- an investment on the part of Government to improving awareness and education about the Compact within the Public Service.

2.3 Actions and Undertakings

- A compact is a two-way agreement. What could your organisation or your sector do differently?

What do you want the Government to change?

- Do the actions in the consultation paper capture the action that is needed to improve the working relationship between the Government and Sector organisations?

Actions relating to the principle of respect

The actions outlined in the discussion paper reflect many aspects of the principle of respect however; we would like to encourage a greater emphasis on concrete actions that will facilitate greater levels of trust and an acknowledgement of the inherent differences in the power relations, values and motivations of the Third Sector and Government.

Actions relating to the principle of inclusiveness

While YMCA Australia is supportive of the actions outlined in the discussion paper we would like to suggest these actions also include:

- ensuring that Third Sector organisations that may be small in terms of size and resources, those that may be located or working in non-metropolitan, regional and remote areas and/or those that may be ethno-specific or indigenous organisations are actively included and engaged in processes of consultation and through the Compact. This recognises that many of these organisations may not have the financial or human resources to participate regularly in stakeholder consultations with Government.
- targeted provision of resources to ensure that the diversity of Third Sector organisations have the opportunity and capacity to participate and be included in consultations and other forms of engagement with Government.

Actions relating to the principle of diversity

The YMCA agrees with the actions proposed relating to diversity and that these actions acknowledge the need to establish a foundation for greater flexibility in Government and Third Sector relations. The YMCA would also like to suggest these actions include:

- developing a greater understanding of the diversity within Third Sector organisations acknowledging that many organisations do not neatly fit into a particular category or particular sector and this can sometimes create challenges when communicating and engaging with Government and the Public Service.

Actions relating to the principle of effectiveness

While YMCA Australia supports the actions proposed in the discussion paper we would also like to suggest they include:

- a commitment to the provision of resources to enhance information sharing, collaboration and innovation across the sector recognising that many Third Sector

organisations will require additional resourcing and support to effectively engage in this process.

Actions relating to the principle of efficiency

The YMCA is highly supportive of these actions, particularly those relating to achieving a greater level of consistency with regard to relevant legislation and regulation across state and federal jurisdictions. We also believe that a commitment on behalf of the Third Sector to developing and implementing best practice standards relating to reporting and accountability will work towards elevating the status of the sector more broadly.

Actions relating to the principle of sustainability

Sustainability is a critical issue for the Third Sector and the YMCA agrees with the proposed actions particularly those regarding support for innovative partnerships and enhancements to workforce development. We would also like to suggest these actions include:

- a targeted response to support the sustainability of small, rural, regional or remote Third Sector organisations acknowledging that these organisations face a range of unique challenges that significantly affect their sustainability.

2.4 Prioritising the Actions

- In your view does the list below of high priority short term actions reflect your top priorities for action in the next two years?
- Are there high priority actions that are missing from this list?

Can you rate the priority of action areas in the table below? (with 1 being your highest priority and 8 your lowest)

Action area	Priority rating
Documentation and promotion of the value and contribution of the sector	2
Protection of the right to advocacy, irrespective of any funding relationship that might exist	1
Recognition of sector diversity in consultation processes and sector development initiatives	4
Improvements in information sharing, including greater access to publicly funded research and data	7
Reduction in red tape and streamlining of reporting	6
Increase in consistency/simplicity of financial arrangements, including across state and federal jurisdictions	3
Improvements to funding and procurement processes	8
Responses to paid and unpaid workforce issues – development, recruitment and remuneration.	5

2.5 Implementation of the Compact

- Are the proposed implementation arrangements workable?
- How do you see the Sector's governance arrangements working?
- What governance arrangements would you like to see the Government adopt to work most effectively with the Sector?

In terms of the Third Sector's governance arrangements, YMCA Australia, as mentioned previously, is supportive of the expansion and broadening of the National Roundtable of Nonprofit Organisations as the most effective and viable mechanism to represent the Third Sector and to move the Third Sector's engagement with the Compact forward.

With regard to a proposed national compact council that would comprise Third Sector champions and would have the responsibility of developing a five year action plan, the YMCA would like to suggest this body include:

- high level representatives of Government to ensure that planned actions achieve the highest level of commitment from Government across all portfolio areas;
- key representatives from the philanthropic sector; and
- representatives from the private sector to encourage the development of innovate partnerships.

It will be critical for this body to have the appropriate authority and resources to develop an integrated action plan that provides strong mechanisms of review and dispute resolution.

Section 3: CONCLUSION

YMCA Australia is highly supportive of the development of a National Compact, but would also like to acknowledge the challenges in undertaking a task of this nature in such a diverse context. We also acknowledge that the development and implementation of a National Compact will require a significant investment of time, human resources and funding on the part of the Federal Government and we hope that current discussions reflect a genuine willingness on the part of the Government to engage effectively and positively with the Third Sector.

YMCA Australia also believes that the process of developing a National Compact has inherent value in that it provides an unprecedented opportunity for the Third Sector to collectively reflect on the current context in which it operates and the changing political, economic and social environment. This process also provides the Third Sector with an opportunity to undertake a self-review and to gain a greater understanding of the sector as a whole.