

## New report finds Government is losing the capability to help Australia's most vulnerable

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Government is struggling to help the most vulnerable Australians in an era of outsourcing human services, according to a new report by the Centre for Policy Development (CPD) released today.

"Australians want governments that deliver results, not alibis", said CPD's CEO Travers McLeod, referring to the blurred responsibility for service failures highlighted in *Grand Alibis: how declining public sector capability affects services for the disadvantaged*.

"This report finds a focus on outsourcing human services to external providers, over several decades, has had unintended impacts. It has produced poor outcomes for the most disadvantaged Australians and reduced the ability and effectiveness of the public service to find better solutions."

McLeod said employment services are an ominous example of outsourcing's pitfalls.

"These services have been outsourced for almost 20 years, but better results for disadvantaged jobseekers remain elusive and public sector capability has been run down."

"Governments are ultimately held accountable for outsourced services, and people expect a public sector with the right experience, skills and policies to best serve their community. Nobody wins if public servants are reduced to contract managers."

*Grand Alibis*, co-authored by Kelly Farrow, Sam Hurley and Rob Sturrock, offers several recommendations: government departments should be resourced to act as effective, persistent policy entrepreneurs; outsourcing should be required to pass a Net Public Impact Test; government audit offices should review confidentiality clauses in human service contracts before execution; and independent reviews of public sector capability should be undertaken across the public service.

"Governments have an irreducible responsibility in human services. They must be able to decide when services should be publicly delivered, privately delivered or when a mixed model is best, and design services accordingly."

"Employment services show that getting the right mix between innovation, collaboration and competition is extremely difficult – especially for delivering integrated responses to disadvantage."

"Value for money isn't just about minimising costs. It's about making the most of our existing strengths – including in the public sector – and investing in the capabilities needed to produce better outcomes. More effective services for Australia's most vulnerable people would offer massive social and economic payoffs. They are the ones who lose out when politicians shrink government at all costs."

**Travers McLeod, Sam Hurley and Rob Sturrock are available for interview.**

**Full report available here:** [www.cpd.org.au](http://www.cpd.org.au)

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