

**NCSS-CSC Seminar on  
“Social Impact of the Social Service Sector: Insights from Australia and Singapore”**

**Presentations by Three Distinguished Speakers:**

**“Emerging Developments in Australia’s Not-for-Profit Sector”**

by Professor Peter Shergold AC, CEO and Macquarie Group Foundation Professor, The Centre for Social Impact; Senior Visiting Fellow, Civil Service College

**“The Social Service Landscape as our Social Capital - Developments & Opportunities”**

by Ms Ang Bee Lian, CEO, National Council of Social Service

**“Strengthening the People-Public-Private Partnership Model: Perspectives from Voluntary Welfare Organisations”**

by Ms Anita Fam, Vice President, Asian Women’s Welfare Association

**7 July 2010**

**Prof Peter Shergold – Emerging Developments in Australia’s Not-for-Profit Sector**

Professor Peter Shergold AC was previously the most senior public servant in Australia from 2003 – 2008, as the Secretary of the Department of the Prime Minister and Cabinet. In his new capacity as the CEO and Macquarie Group Foundation Professor of the Centre for Social Impact, Professor Shergold’s presentation cast a spotlight on the growing importance of the not-for-profit (NFP) sector delivering publicly-funded social services in Australia. He highlighted the cost and benefits of this outsourcing, and insights into political advocacy, financial sustainability, regulatory impost, service quality and social mission.

**Introduction to Australia’s NFP Sector**

Prof Shergold shared the broad scene of Australia’s NFP sector – 600,000 NFP organisations, 4.6m volunteers, with more than 80% of Australians joining at least one NFP and giving to charity. He pointed out the economical significance of the NFPs as they held assets in excess of A\$138b, contributed 8% to Australia’s GDP, and employed 890,000 staff (8.5% of employment). These statistics allude to the crucial role that NFPs play in Australia’s landscape, a fact that that many Australians had yet to grasp.

*Funding of the Sector & Economic Downturn*

The A\$25.5b contributed annually by the Australian government form 33% of funding for NFPs, and typically 50% - 60% of funding for social welfare NFPs. Such government funding is on a trend of significant increase. Philanthropists also contributed an estimated 10% of funding for NFPs, with the NFPs generating 50% of their funding through fees, sales, events, interest or other commercial activities. Prof Shergold highlighted the increase of corporate support for this sector, but often in-kind such as lending expertise and providing transfer of skills.

Prof Shergold mentioned that a survey was conducted last year to gauge the income expectations and impact for Australian NFPs in relation to the economic downturn. Two-thirds of the NFPs who experienced a significant impact, expected a future decline in income.

However Prof Shergold expressed cautious optimism as 39% of the NFPs expected income growth only if leadership and resources could be made available to sustain survival.

## **The Social Impact of NFPs**

### *Delivering Public Goods More Efficiently*

NFPs had historically delivered public goods such as organising community activities at their own cost, motivated by their sense of social mission. The Australian government had recently pumped in more subsidies and funding into areas where NFPs could provide better value through their service delivery.

Prof Shergold highlighted the example of the Australian government outsourcing unemployment services to NFPs such as the Salvation Army, instead of big manpower companies. This was a case-in-point in the evolvement from a relationship of grant-making to that of “contracting out services” to NFPs.

### *Lowering Welfare Burden and Increasing Social Capital*

Services delivered by many NFPs transcend the immediate and tangible benefits experienced by the community. By focusing on long-term objectives – improving educational outcomes, increasing employment, promoting well-being and supporting families – significant social impact can be achieved eventually, resulting in a lower welfare burden for the state.

Prof Shergold shared on the segmented bureaucracy that a dysfunctional family with multiple needs might experience, when referred from one government department to another in the process of seeking help. He opined that NFPs were inherently better placed than the public sector in empowering the individual’s self-reliance through providing citizen-centric one-stop services. NFPs were also better-poised to engage the society through community participation, harnessing volunteer support and building social movements. All these factors contributed to the increase of social capital for the country.

## **The Government-NFP Relationship**

With the increase in Australian Government “contracting out services” to NFPs, there were many implications for both parties.

For the NFPs, the government funds ensured stability during times of economic uncertainty. However greater access to such funding had brought about increased political influence for the NFPs in developing and delivering services linked to government policies. NFPs were also gradually shaped in this process to run like social businesses that report on public accountability, measuring cost of delivery and social impact.

However for the government, the fear of the misuse of public funds had resulted in overburdening the NFPs with administrative accountability. Perverse circumstances may emerge where NFPs taking on 60 different government contracts end up struggling with an array of reporting requirements that accumulate over time. Over-dependence on government funding may thus be a significant risk-factor for NFPs not only in their increased administrative function but also reduced advocacy. Mission drift could occur when NFPs

receiving significant funding mute their voices against the government who micro-manage them.

### *Summary*

Prof Shergold advocated that this new paradigm of “contracting out services” to NFPs was still more cost-effective as the NFPs were likely to deliver better service quality with empathy. Social innovation however might be suppressed as NFPs could find it harder to prototype innovation under the micro-managing tendencies of government bureaucracy.

### **Looking to the Future**

Prof Shergold shared on the Australian government’s commitment towards a newly-launched National Compact. This document frames the relationship between the Government and the Third Sector<sup>1</sup> in collaborating based on partnership and respect, moving away from a relationship based on contractual terms. As Prof Shergold deliberated on the importance of implementing this Social Impact, he touched on his recent endeavour of chairing a Partnership Forum between 7 Director-Generals of key government agencies and 7 CEOs of key NFPs.

### **Conclusion**

In conclusion, Prof Shergold shared that more NFPs that run like businesses, yet driven by social purposes, might emerge. He shared the example of Goodstart as a signpost to the future – a social venture driven by ex-investment bankers who used commercial capital to run 600 childcare centres, with the government as the guarantor for the loans, and profit ploughed back into these social businesses to achieve social impact. With an increasing willingness of the Australian government to fund and support the Third Sector, Prof Shergold felt that the challenge ahead lied in creating a networked form of governance and establishing cross-sectoral partnership.

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<sup>1</sup> Prof Peter Shergold defined the "Third Sector" as a broad spectrum of non-government organisations, ranging from charities, NFPs, social enterprises to corporations' CSR programmes.

## **Ms Ang Bee Lian – The Social Service Landscape as our Social Capital - Developments & Opportunities**

Ms Ang Bee Lian joined the National Council of Social Service (NCSS) as its Chief Executive Officer in June 2007, after 30 years of valuable experience developing policies and implementing programmes in the Ministry of Community Development, Youth and Sports. In her presentation, Ms Ang shed light on the social service scene in Singapore, and shared insights on its social capital, the impact and outcomes of social programmes, historical developments and future opportunities.

### **Introduction**

Ms Ang started by outlining similarities between Singapore and Australia – engagement with citizenry by the Voluntary Welfare Organisation (VWOS), which are similar to NFPs and an enlightened public sector. She proceeded to share the broad picture of Singapore's social landscape that comprised Healthcare, Housing, Welfare, Social Security & Jobs, Education, Social Enterprises, Co-operatives, and Social Services.

### *Social Capital*

Ms Ang described social capital as the degree to which people knew each other, and their willingness to help each other. She explained that society worked best when social capital was abundant, with the lack of social capital resulting in more social problems. While social capital often replaced the money that individuals spent to purchase the help they needed, it was near-impossible to calculate and factor in costs, such as goodwill and compassion.

### **Singapore's Social Service Scene, Leading to Social Capital**

Singapore has adopted the Many Helping Hands approach involving many stakeholders. This has created a robust safety net that tapped on social capital, with a built-in traction that discouraged citizen entitlement and dependency. Through this uniquely-Singaporean approach, more than 400 social service-related agencies ran more than 1000 programmes for the young, old, and families requiring social intervention. With contributions from the public, people and private sector, the total operating budget of social service charities reached S\$574m in 2008.

Ms Ang elaborated on the challenges of measuring the impact of work performed by these social service agencies. She also clarified that while social service was not equal to social capital, the delivery of social services contributed to the accumulation of social capital.

### **Outcome and Impact of Social Services**

Ms Ang attributed impact to the difference between outcomes achieved through social service programmes, and without it. While she explained that the goal of impact evaluation was to measure this difference attributed only to the programme, impact however could not be easily and accurately measured. She stressed the importance of a sound policy that required space and time to design, coupled with proper implementation. She proceeded to highlight the following key outcomes and impact of social service:

### *Outcomes of Social Service*

- Individuals are more resilient and care for their members
- Persons with special needs are independent
- The elderly are socially engaged
- The elderly can age-in-place supported
- Care-givers are supported to provide sustained caring

### *Impact of Social Service*

- Reduce social isolation; increase inclusiveness
- Reduce social cost
- Right deployment of resources from right intervention
- Improved well-being
- Inter-generational bonding

### **What Works in the Sector**

Ms Ang shared examples of research or evidence-based social intervention such as early intervention for children from dysfunctional families, reducing residential care through community-based interventions, and supporting care-givers. While it remained difficult to establish evidence for other social interventions, there was an increased focus on learning the theory behind the change.

Ms Ang added that the dearth of local research and our lack of control groups hindered such progress when compared to the more mature research scene in Australia. Given our knowledge of what worked in the sector, implementing programmes in the community would entail significant effort in programme design, stakeholder consultation, at the same time, embracing the vibrancy and goodwill of the sector.

### **Resourcing Social Service**

Different models and sources of funding have been applied to different types of social service programmes in Singapore. While funding was highlighted as the top priority for many agencies in the past, this has been superseded recently by another crucial resource – manpower. Ms Ang shared the CARE plan rolled out by NCSS that involved Capacity and Capability Building, Atracting, Retention and the Enrichment of professionals in the social service sector.

### **Changes in the Recent Decade**

Ms Ang shared on the following broad changes that had occurred in the recent decade:

1. Demography – greying population, families with complex and multi-faceted problems
2. Manpower – awareness that professional input was important
3. Funding – greater awareness and expectations, though funders may only need to know that their investments had been put to good use and so detailed reports might not be necessary
4. Client expectations – awareness and increased demand for service quality

5. Discussion about rights and responsibility – Singaporeans were less “ashamed” of asking for help, so conditions for financial aid could be made more explicit so that applicants would be more mindful of not falling into the entitlement mindset

### *Demarcation of Roles*

In tandem with these changes, various parties in the sector have settled into their respective roles. The Singapore government had taken on the responsibility of owning policies and regulating standards. While the VWOs were the primary service providers and ground initiators, they were engaged and enabled by NCSS, who also contributed to policy development.

A recent shift has seen clients and VWOs also playing the role of a “prosumer” – both a producer and consumer. The key challenge lied in involving clients in the process of programme design, since they were the end-users who were familiar with the real ground challenges.

### **Developments and Opportunities**

While social services were previously ground up initiatives with little expectations of government support, Singaporeans today expect services to be accessible, affordable or subsidised. A culture of entitlement has crept in where it was no longer embarrassing for Singaporeans to ask for help or handouts. Social issues have also become increasingly multi-dimensional, requiring inputs from multiple agencies.

Yet in Ms Ang’s opinion, the sector has progressed significantly to meet these needs and expectations. The public, people and private sector have collaborated closely to deliver quality services. New skills in engagement have also developed in seeking ground feedback, based on a heightened awareness of the citizen as a contributor. Funders have replaced a risk-aversion approach with that of risk-management.

In subscribing to the Many Helping Hands approach, agencies delivering services now do not simply see themselves as an extension of the government’s arm. As ground initiators and implementers, these agencies also participate in policy developments through NCSS. A new paradigm of power-sharing, mutual risk-taking and tolerating social innovation experiments has set in.

### *Shaping the Sector*

Moving forward, continuous dialogue and fostering healthy partnerships between stakeholders were key to understanding perspectives and influencing service quality. Funders were increasingly engaging, enabling and influencing service delivery to achieve outcomes and impact from their social investments, rather than micro-managing through reports. Service providers were also given flexibility in their service delivery, agreed outcomes, and space for social innovation.

However, Ms Ang clarified that the partnership between funders and service providers was not equal. With funders typically retaining more bargaining power, the crux lied in a mutual respect of roles and collective focus on the same objectives.

## **Conclusion**

In drawing to a close, Ms Ang shared on the inter-disciplinary approach where cross-sector professionals worked together with intention, mutual respect and commitment to bring about a more effective response to a human problem.

She ended by asking these questions to spur further thinking – “Whether we were doing the right things? Whether we were doing the things right? And whether there were better ways of doing things?”

## **Ms Anita Fam – Strengthening the People-Public-Private Partnership Model: Perspectives from Voluntary Welfare Organisations**

A lawyer by training, Ms Fam retired 10 years ago to devote herself to her family. Since then, she has immersed herself in community work and was a full-time volunteer, both at charity and national level, in the areas of disability, hospice, family, marriage and integrated health. In her capacity as the Vice-President of Asian Women's Welfare Association (AWWA), Ms Fam shared on AWWA's journey and evolution through the decades, from a humble VWO to one that delivered cross-sector services based on profitable and collaborative partnerships.

### **Introduction to AWWA**

Ms Fam illustrated the development of AWWA's services throughout the years. Since its inception as a Family Service Centre in 1970, it has progressively taken on elderly and educational services, disability integration services known as TEACH ME, and services aimed at care-givers. Its most recent endeavour was a Resource Centre for disabilities in 2008.

#### *Status, Focus, and Structure*

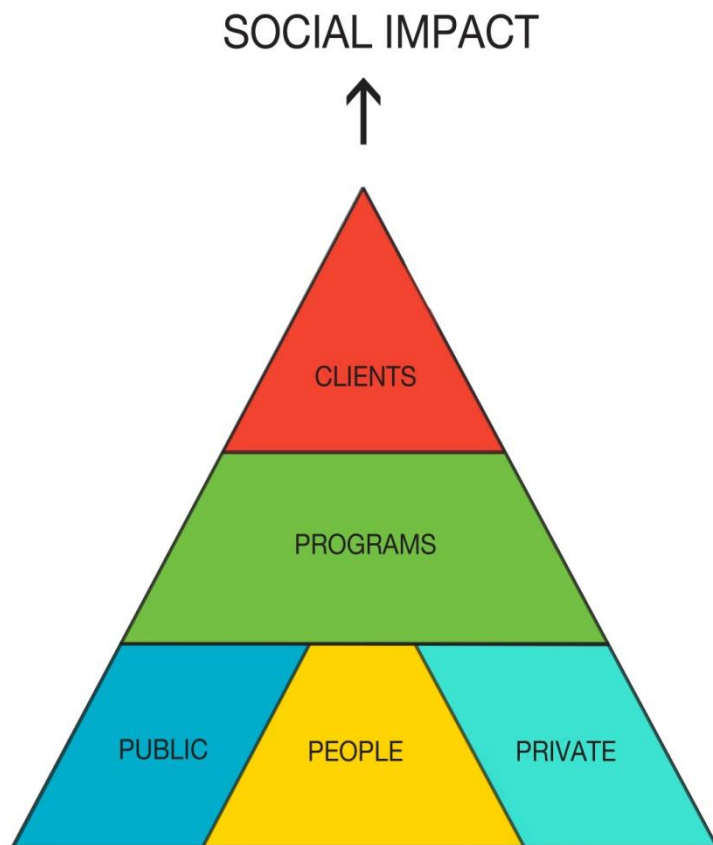
As a small VWO, AWWA was previously purely self-funded and volunteer-run and led. Social intervention typically revolved around highlighting problems, gap-filling, and challenging the system. AWWA also operated as an isolated institution. Fundraising was a huge challenge – it was considered an achievement to be able to raise funds for the salary of one staff.

AWWA has since moved on to be managed by a group of highly qualified and well remunerated professionals. With solution-focused social intervention, AWWA's team of social workers were now able to journey with their clients through the years, arming themselves with the right tools to seek employment and education. AWWA has also centralised internal functions such as Accounts and HR, and established integrated networks and collaborative dialogues with the public and private sectors. Leaving a fire-fighting mentality behind, AWWA was now actively influencing society and policy makers with its new voice.

#### *Funding and Accountability*

Ms Fam shared that funding from the Singapore government, Community Chest and Tote Board became a significant hallmark for AWWA's change. With funding support, the agency was now able to employ more professional staff and expand its services over the years, reaching out to more clients. AWWA also gained momentum to persuade corporate sponsors and foundations to invest through them, and partner through social ventures.

Concurrently, Ms Fam spoke of the accountability and stewardship expected of AWWA when receiving external funding. The agency had thus taken on the Code of Governance (COG) for charities – a painful but necessary journey to assure donors and funders. Ms Fam also opined that with the COG and other rules and dashboards put in place to track AWWA's integrity, there was a need to strike a balance against over-monitoring.



### **Collaborative Public-People-Private Partnerships**

Referring to the pyramid diagram on the left, Ms Fam delved into the importance of collaborative partnerships between the public, people and private sectors.

As the public sector drafted the legislative framework and provided resources as the facilitator of change, collaboration allowed AWWA to influence policy decisions.

Reaching out to other players in the people sector through building networks and trust was also crucial. With critical mass, the people sector could then effectively advocate and help policy makers distil more innovative solutions to social problems.

The private sector has been known for its wealth of experience and expertise. Profitable partnerships can thus be established through identifying common social causes. Social agencies play a key role in delivering community education, while the private sector lent its support through technological expertise, skills-transfer and volunteer manpower.

#### *Example of AWWA Low Vision Programme*

Ms Fam showcased a component of AWWA TEACH ME – Low Vision Programme – to exemplify the Public-People-Private Partnership concept. In this programme targeted at children with low vision, AWWA has roped in the public sector – Ministry of Education and Health Promotion Board – to provide public education to schools, families and the general public on low vision, and extend funding support. The private sector – Singapore National Eye Centre (SNEC) and private practitioners – contributed ophthalmological expertise. With another partner – Singapore Association for Visually Handicapped – in the people sector, AWWA was able to implement this collective partnership for around 40 clients.

## **The Way Forward**

In her concluding statements, Ms Fam touched on the challenge of trying to gear social programmes towards outcome and impact-based measurements. The process of empowering staff and clients needed to be sustained, with social intervention working best when people from different sectors came together to collectively decide how best to bridge a gap. There was also a need to break the traditional silos of funding support, where specific government ministries only fund programme components based on their expertise. Ms Fam advocated for an inclusive model that was client-centric, with holistic intervention from all angles.

### **Question and Answer Segment**

*(Moderated by Mr Cyril Chua, Vice-President, National Council of Social Service)*

*Question 1: Mr Cyril Chua began the Q&A segment with a question for Prof Shergold. He asked the extent to which NFPs should direct policies, given that social policies were usually drafted by the government, and executed by the NFPs.*

Prof Shergold opined that while NFPs played an increasingly important role, they were currently confined to the low end of policy planning. He shared that the smartest and brightest in Australia usually gravitated towards policymaking but yet in their design process, their lack of direct work experience showed up. It was thus imperative to first possess grassroots experience and channel that into policy design, then engage NFPs in negotiation to agree on public accountability. Prof Shergold also stressed that the delivery was just as important as the design.

*Question 2: A participant shared on the expectations and pressure on NFPs from external stakeholders, and asked if it was fair for NFPs to succumb to the environment and change their strategy. Another participant also posed a similar question of whether any NFPs were found in breach of contract.*

Prof Shergold replied that given the array of stakeholders, there was a danger of NFPs losing their perspective. He shared the Australian example of the collaboration between the Uniting Church and the government on employment services. Tension arose in this partnership when the government's objective of increasing workforce did not gel well with the Uniting Church's objective of increasing family stability. Ms Fam added that NFPs needed to follow-through on a clearly-stated mission, regardless of the external pressure.

On NFPs breaching contracts, Prof Shergold affirmed that there had indeed been some occurrences, mostly due to lack of ethical conduct. However on the whole, this did not happen often as the level of accountability reporting would mitigate such risks.

*Question 3: A participant shared that individuals in the United States competed with each other for opportunities to contribute to the social sector, so as to add these achievements into their CVs. He asked how Singaporeans could be incentivised to join the social sector.*

Ms Ang shared her observation that the younger Singaporeans were increasingly delaying their first job to participate in overseas service-learning projects. While she expressed hope that they could be inducted into the local scene, there was unfortunately the mental gap they face that Singaporeans are "not poor enough". Thus their sense of achievement is perceived to be higher when helping poorer people in other countries.

Prof Shergold gave the example of the indigenous community volunteer programme which had been overwhelmed with volunteers in Australia. There was the perception that helping indigenous people is a valuable and ethical experience that heightened the volunteer's social status. Students in the Gen Y era were also asking deeper questions on sustainability and corporate social responsibility during their interviews for big banks. Volunteering for NFP boards were higher and there was a growing sense of prestige in working for NFPs. However on the flipside, working for NFPs invariably implied lower salaries and many donors still did not understand the need to provide funding for staff salaries and overheads.

*Question 4: A participant asked about the steps required for Singapore to foster a civil society that undertook community-based initiatives and promoted change.*

Ms Fam stated that everyone had to work together on the basis of mutual respect, while recognising the strengths and weaknesses of the different public, people and private sectors.

Prof Shergold shared three pointers. Firstly, while Australians used to join political parties or unions as part of political participation, they now joined new vehicles such as Oxfam or green movements. Secondly, he observed a breakdown in the engagement of civil society in urban areas – only 16% of people in Sydney were engaged as compared to 35% for the rest of Australia. Lastly, a significant challenge remained for the government to manage a vocal civil society through respect and tolerance.

Ms Ang added that this ideal could only be achieved through community participation, co-creation of services, and co-ownership of burdens and problems. Residents in the Goldhill estate gardening project were cited as an example, as they came together to cultivate exotic plants on a plot of unused land given by National Parks.

*Question 5: A participant asked about the climate of research in Singapore, and if NCSS was ready to measure NFP performance based on social impact, rather than on the current KPIs.*

Ms Ang responded that NCSS was already in the process of discussing and thinking of different ways of measuring social impact, with the Community Chest especially receptive to new ideas. NFPs were also not constrained by funders and were free to explore new ways of measuring performance.

Prof Shergold described the measurement of social impact as the “Holy Grail” of the NFP sector. While many NFPs were already on this journey of tracking social impact, ambitions would always outstrip resources. The current tools available were also good, but not good enough, with governments grappling to still know more information.

*Question 6: A participant asked if any studies had been done to determine the effectiveness of compulsory community involvement programmes (CIP) for Singaporean youth, and how the role of education could impact the social sector.*

Prof Shergold affirmed the role that education played in contributing to the social sector. He was aware of programmes in both Australia and Singapore where students volunteered to help other students, and successful business leaders provided free coaching to students. On a broader front, he felt that MBA candidates should be well-versed with corporate social responsibility and private sector ethics. He was also encouraged that corporates were providing more scholarships to increase capability and leadership in the NFP sector.

Ms Fam opined that community involvement should go beyond school CIP to exposing Singaporeans to the bigger community needs. She shared the example of a dentistry lecturer who exposed his first-year students to community involvement through running a mobile dental health clinic for 1-room flat residents. She also wondered aloud if the public officers in Singapore were willing to gain exposure through working in a NFP for 1-2 weeks, instead of simply visiting the NFP. Mr Chua added that education could help instill more young people with the right values and change their mindsets.

*Question 7: A participant asked what the definition of social innovation was, and how it fit into Singapore's social landscape.*

Prof Shergold clarified that social innovation was not merely doing things a little better, but required a paradigm shift. An example was the government contracting out to NFPs to deliver public services. The change involved public officers using power differently, to listen, support and collaborate in order to deliver services in a different manner.

*Question 8: A participant noted that representatives from the private sector were missing from the seminar audience. She also asked Ms Fam if the private sector only contributed money to AWWA's Low Vision Programme, and whether other players such as social enterprises were involved.*

Ms Fam explained that funding for the Low Vision Programme came from MOE, with the private sector contributing the assistive devices, and SNEC providing ophthalmological expertise. She also clarified that this was not a conventional model in Singapore. Ms Fam highlighted the importance of working around the limitations of the respective people, public and private sectors, and that NFPs should look beyond funding support and tap on the expertise of the private sector.

Mr Chua added that roles were not mutually exclusive with some individuals wearing different public, people and private hats at different points in time. Prof Shergold envisioned that innovation would occur most in areas where the 3 circles of people, public and private sectors overlap. Ms Ang concluded that the sector in Singapore was in the middle of this circle and noted that while innovation was easier for sectors like Info-Communications, it was inherently more challenging for the social sector.

*Recorded by: Mr Willy Ong, Ms Lorriane Chue, Ms Lisa Ng*

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