

ACT
Community
Services
Industry
Strategy
2016-2026

Joint Community
Government Reference
Group (JCGRG)

July 2016

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The ACT Community Services Industry acknowledges that Canberra has been built on the land of the Ngunnawal people, pays respects to their Elders, recognises the strength and resilience of Aboriginal and Torres Strait Islander peoples, and celebrates their cultures and ongoing contribution to the ACT community.

TRANSMITTAL CERTIFICATE

Dear Joint Community Government Reference Group Co-Chairs

The ACT Community Services Industry Strategy has been prepared in a partnership between the Community Services Directorate and the ACT Community Services Industry.

A Steering Committee was established by JCGRG to provide oversight of the development of the Strategy. ACTCOSS was also funded by the ACT Government to engage the Community Services Industry in the project to ensure the process was sector led.

We certify that the Strategy is an honest and accurate representation of the information gathered from the Community Services Industry and input from ACTCOSS as part of the consultation process.

Yours sincerely



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Overview

Community services have a strong foundation within the ACT, they make a significant contribution to the ACT economy and have a central role in developing the well-being and the healthy functioning of the community.

Although well-established, community services in the ACT are undergoing a period of significant change, with new models of service delivery, new ways of doing business, and a stronger focus on achieving social and economic outcomes. The Community Services Industry Strategy will help community services navigate this period of change and grow a strong and sustainable industry into the future. Development of a strong industry will have significant benefits not only for the community but also for government.

We are in a period of change

The past decade has seen significant changes impacting on community service organisations and their relationship with government, business, and the community – and further change is anticipated over the next 10 years. These changes impact on how community services are planned, designed, procured, funded, delivered, and evaluated.

Changes in the policy, funding and regulatory environment are driving the need for more client centred service delivery models and integrated approaches which can holistically meet local community needs.

As has occurred with aged care, the National Disability Insurance Scheme (NDIS) will introduce greater choice and control for many people with a disability for the first time and fundamentally reshape the provision of disability support services across the country.

New ways of doing business

Community services are being delivered in a rapidly changing mixed economy where the public, for-profit, not-for-profit and household sectors and their norms are converging.

This change is occurring amidst a broader convergence of trends, including: redefined roles of government and the market in public policy development and implementation; a narrative around the third sector; a shift from the concept of client to consumer; growing for-profit involvement in service delivery using government funds; increased focus on rights-based entitlements and service models; changes in fiscal relationships; increasing inequality; marketised funding arrangements (e.g. NDIS); changes in appetite for risk; and changing expectations of non-government organisations by government.

New ways of contracting for services, government funding constraints and the emergence of social impact investing are spurring the need for community service providers to reconsider the way in which they operate now and into the future.

Navigating change

- Client centred service delivery models
- Integrated approaches to meet local community needs
- Choice, control and consumer directed care

Different ways of operating

- New ways of contracting services
- Social impact investing

Outcomes-focused

- Prioritising the achievement of social and economic outcomes
- Measuring whether you make a difference

Growth potential

- Major potential for industry to influence the economic and social drivers of demand for community services
- The National Disability Insurance Scheme and aged care reforms will drive significant growth

Much greater emphasis will be placed on the outcomes being achieved from a given level of investment and providers will increasingly need to demonstrate how they are making a difference to the lives of the people and communities they work with.

The Community Services Industry is already a major provider of employment and economic contributor in the ACT, and growth across the industry is expected.

Across service areas where there is a high level of demand and unmet need for community services, industry growth has the potential to increase the capacity of services to deliver better outcomes for some of the most disadvantaged members of the community. It also provides the opportunity for the Community Services Industry itself to work strategically to influence the social and economic drivers of demand to better support vulnerable people.

Community Services Industry Strategy

In order to maximise the opportunities into the future, an ACT Community Services Industry Strategy has been developed. The Strategy sets a 10 year vision for the ACT Community Services Industry and identifies priority areas for development, and the desired outcomes industry hopes to achieve over the short, medium and longer term.

The Industry Strategy is intended to be broad and inclusive to capture the diverse range of service providers, including not-for-profit providers who reinvest profit into the organisation and private providers who pay dividends to shareholders and remunerate board members. Community services include disability services, housing and homelessness services, aged care services, community and mental health services, youth and family services, and women's services.

The Industry Strategy provides an opportunity for the Community Services Industry to come together and take greater control of its own destiny. It also provides an opportunity to showcase the social and economic contribution of the valuable services and the commitment and dedication of its many skilled workers and volunteers.

The Industry Strategy will allow the industry to take ownership of creating new opportunities for growth, including through social investment models to meet the increasing demand for community services.

This will help create a vibrant and sustainable Community Services Industry whose contribution to the economy is valued and recognised and whose commitment to delivering quality services to vulnerable and disadvantaged people and communities is widely acknowledged and celebrated.

This Industry Strategy has been developed under the guidance of a Steering Committee comprising representatives from government and industry, with the assistance of the ACT Council of Social Services (ACTCOSS).

Developing an Industry Strategy

- Maximising opportunities for service development
- Focus on quality services for the most disadvantaged
- Industry can set its own trajectory and take ownership of new opportunities

Introduction

The Community Services Industry Strategy for the ACT set a 10 year vision for the industry and identifies the priority areas that need to be addressed as well as the desired outcomes the industry hopes to achieve.

What is the Industry Strategy?

The Community Services Industry Strategy for the ACT sets a 10 year vision for the ACT Community Services Industry and identifies the priority areas in need of response, as well as the desired outcomes the industry hopes to achieve over the life of the Industry Strategy. It is anticipated the Industry Strategy will be refreshed at its midway point, after the first five years of operation.

The Community Services Directorate of the ACT Government contracted KPMG to facilitate the development of the Industry Strategy. The Industry Strategy has been developed through a consultative process, including a preliminary focus group, interviews with service providers, feedback on an Industry Scoping Paper released in February 2016, further focus group consultations, an Industry Forum, and one-on-one interviews with industry CEOs. The process for developing the Industry Strategy is outlined in Appendix 1.

Purpose of the Industry Strategy

The purpose of the Industry Strategy is to:

- provide the industry with the opportunity to identify priorities for investment for the 0.34% levy being collected in 2015-16 and 2016-17
- present a shared understanding of a vision for the Community Services Industry that will assist in forward planning
- offer increased opportunities for organisations to plan and prepare for future demand and workforce requirements by identifying emerging trends
- present a strong case for the value of the industry as a contributor to the health and wellbeing of the people in the ACT and a significant contributor to the ACT economy, which will deepen the understanding of community services within and outside the industry
- position the industry as sustainable, effective, and strengths-based, and to align with key ACT Government reforms and initiatives.

Definition of the Community Services Industry

As an industry, community services are diverse consisting of small, medium and large organisations, both not-for-profit and for-profit, whose core functions include service delivery, advocacy, and community development. Some may think non-profit community organisations are excluded from the definition of industry as these organisations have traditionally been driven by purpose, not profit. Organisations and businesses that provide

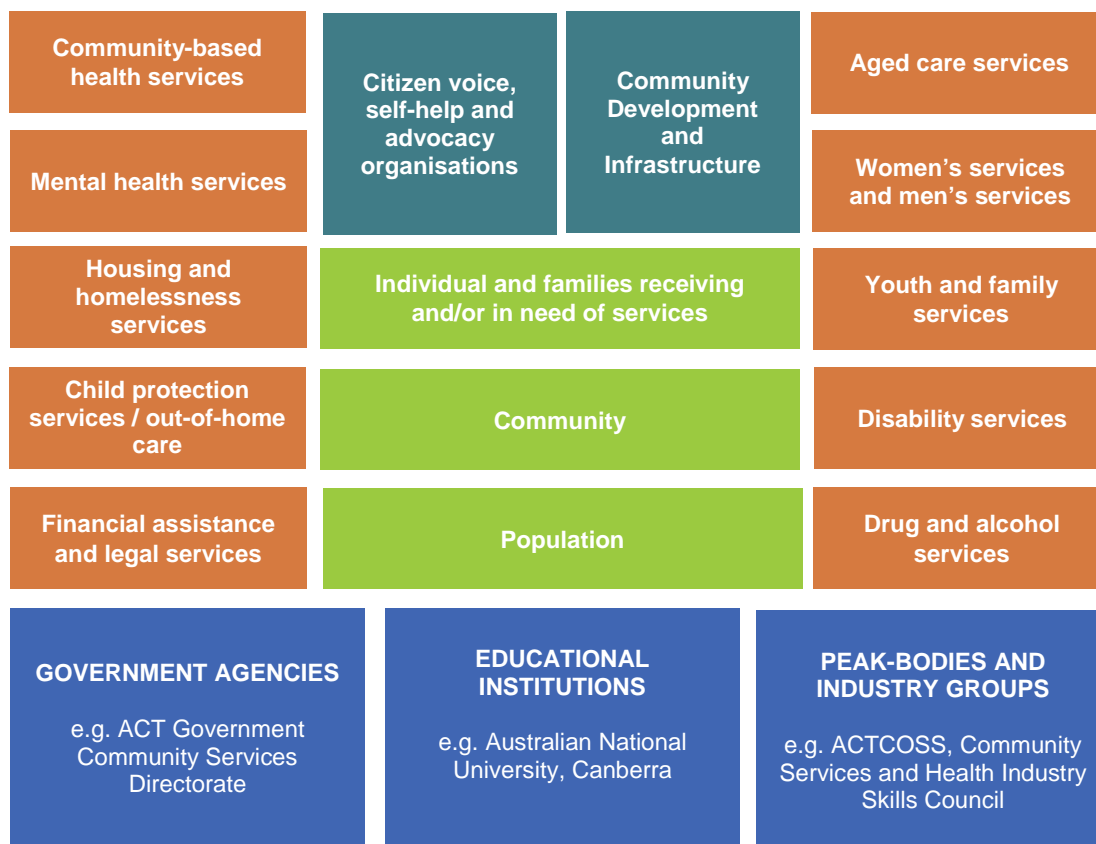
“The human services system is a network of services which aim to develop the capacity of people and families to enable their full participation in a strong, healthy and inclusive community. We all use human services at different stages of our lives and the level of support varies depending on our needs at the time.”

2014 Human Services Blueprint

community services may also view themselves as contributing other social benefits and outcomes beyond service delivery, and representing a particular community or perspective.

The Community Services Industry includes, but is not limited to, the areas in Figure 1 below.

Figure 1. Components of the Community Services Industry in the ACT



Source: KPMG 2016

There has been internal, institutional, strategic and cultural resistance to viewing community services as an industry.¹ This resistance stems from tensions between several different currents:

- community service work as being a vocation or a profession and it being voluntary or paid,
- the primary mission of an organisation being for purpose or for profit,
- maintaining a culture of collaboration and cooperation while competing within a competitive tendering process, and
- the role of community service organisations as a government contractor or as an independent policy actor.

The distinction between profit, commercial and community services, however, is now blurred as the norms between the public, not-for-profit and for-profit sectors are converging. In the 1980s and 1990s, some services which had traditionally operated within the health domain such as in-home support, health education and early intervention, and respite for clients in areas including mental health, palliative care, and post-hospital support started to transition into community services from a policy and service delivery perspective.

¹ C Briggs, G Meagher & K Healy; *Social and Community Services Award (ACT) 2001; Social, Community, Home Care and Disability Services Award 2010.*

At the same time, the notion of a Community Services Industry also emerged in relation to the growth in the outsourcing of service delivery by government to non-government community service organisations. The interdependence of the government and community sectors increased as community service organisations as providers became more dependent on government as a purchaser, and vice versa. This signalled a shift away from a grants-based relationship to a purchaser-provider relationship – and further transformation from a predominantly voluntary, charity sector since the 1950s.

The past decade has seen significant changes impacting on community service organisations and their relationship with government, business, and the community – and further change is anticipated over the next 10 years. Change is occurring amidst a convergence of trends, including: redefined roles of government and the market in public policy development and implementation; a narrative around the third sector (i.e. civil society organising outside government and the market); a shift from the concept of client to consumer; growing for-profit involvement in service delivery using government funds; increased focus on rights-based entitlements and service models; changes in fiscal relationships; increasing inequality; marketised funding arrangements (e.g. NDIS and social benefit bonds); changes in appetite for risk.

Dynamic history of the industry

The Community Services Industry's relationship with government, business, and the community has been dynamic. In particular, there have been changes in the way the sector has seen itself and the way it has been perceived by others: its role, purpose, contribution, and way of working.

In the 1950s and 1960s, there was a significant shift in the relationship between community services and government.² This shift came in response to demands from advocacy bodies for Australian Government funding of community services. Rapid social change and movements around social rights and community development in the 1960s and 1970s continued this trend. Expansion of the sector in the 1970s and 1980s continued through greater social spending by state and territory governments.³

In the 1980s and 1990s, the community services became increasingly viewed as an industry. This relates in part to the achievement of industrial citizenship by the community service workforce in Australia from the early 1980s and the subsequent development of awards for social and community service

Community services are being delivered in a rapidly changing mixed economy where the distinctions between the public, for-profit, household sectors and becoming increasingly blurred.

Notions of traditional charity based organisations providing services and doing good deeds are being challenged with a focus on client needs, creating community value and improving social outcomes.

² C Briggs, G Meagher & K Healy (2005) Becoming an industry: the struggle of social and community service workers for Award coverage, 1976-2001 Journal of Industrial Relations Vol 49 No 4, pp. 497-521.

³ J Butcher (2015) Australian sub-national compacts with the not-for-profit sector: pathways to cross-sector cooperation, in J Wanna, EA Lindquist & P Marshall (eds) New accountabilities, new challenges, ANU Press, Canberra, pp. 297-341; P Smyth (2014) The lady vanishes: Australia's disappearing voluntary sector, Presentation to a lunchtime seminar, Brotherhood of St Laurence, Fitzroy, Victoria, 14 August.

workers.⁴ Further developments include the ACT Community Sector Industry Long Service Leave Portable Scheme which commenced in 2009 and the Equal Remuneration Order made by the Fair Work Commission in 2012.

In the United Kingdom, compacts emerged as a mechanism to manage these dynamics. In 2001, the ACT developed Australia's first compact between government and the community sector, emphasising partnership over a pure purchaser/provider relationship.⁵ The compact has been maintained, modified and refreshed in 2004 and 2012.

The Social Compact provides recognition of the distinctive nature of the Community Services Industry and its distinctive relationship and interdependence with government. The distinctive nature of the industry includes the significant contribution of the not-for-profit community sector whose 'collective activity is directed to building community involvement and participation, addressing social needs and strengthening community capacity.'⁶ Further, the Social Compact recognises the contribution of community services to the planning and development of government policy and the empowerment of 'communities and individuals to have a voice and influence in service design and delivery, and in broader policy and planning decisions.'⁷

Why an Industry Strategy?

The dynamic nature of the environment in which community services operate is expected to continue and the pace of change is likely to accelerate further. Major growth across the sector is expected with the introduction of the NDIS and consumer directed reforms to aged care. There is also increased focus on partnering with consumers in the health sector and a continued focus on delivering consumer centred care. NDIS will challenge the capacity of the industry to respond presenting both risks and opportunities. While these reforms are not affecting all parts of the industry, there are other changes impacting more broadly including continued growth in demand for services and changes to funding and procurement processes.

Although there is a wide scope in variability and capacity with the industry, a number of commentators have argued for the industry to become more business-like and this is seen as one of the main strategic requirements to position the Community Services Industry to meet the challenges which lie ahead.⁸ With changes in government contracting and procurement and the emergence of alternative funding approaches, new models of service delivery have evolved, and the industry's relationship with government has changed.

Many organisations in the industry lack skills and experience in operating in a commercial manner or environment. Medium sized

The Industry Strategy builds upon and aligns with the reforms that have been occurring under the Social Compact and the Human Services Blueprint. The Industry Strategy will help build capability within community services to grow sustainably and achieve positive outcomes for everyone in the ACT.

⁴ C Briggs, G Meagher & K Healy; *Social and Community Services Award (ACT) 2001; Social, Community, Home Care and Disability Services Award 2010.*

⁵ See ACT Government (2003) *From purchaser/provider to partnerships: working together to maximise outcomes*, Draft policy paper for consultation, ACT Government, Canberra.

⁶ ACT Government (2012) *The social compact: a relationship framework between the ACT Government and community sector*, ACT Government, Canberra, p. 5.

⁷ Ibid.

⁸ M Considine, S O'Sullivan and P Nguyen, 'Governance, boards of directors and the impact of contracting on not-for-profit organisations – an Australian study' 48(2) (2014) *Social Policy and Administration* 169-187.

organisations with \$500,000 to \$5 million in annual revenue⁹ and narrow funding bases are most exposed within the industry to change pressures. Small organisations are often equally reliant on narrow revenue streams, but are able to make better use of volunteers for administrative functions that serves to lower their cost base and make them more able to navigate the pressures they face.¹⁰ Government also faces the challenge of continuously improving its procurement of services and its relationships with the Community Services Industry.

There is a very high level of uncertainty in the Community Services Industry about the future, especially concerning regulation, funding and reform. Some organisations have been “shocked into inactivity” by this uncertainty, and a stress threshold has been reached within the industry.¹¹ This observation is supported by recent survey results that suggest that industry pessimism about the performance of the industry over the next few years has risen in the ACT.¹²

The ACT Government recognises the significance of these changes and has been active in its attempt to develop more effective partnerships with community service organisations. The 2012 Social Compact¹³ and 2014 Human Services Blueprint¹⁴ lie at the heart of these attempts. In addition, in 2013, the ACT Government’s Community Services Directorate developed a Community Sector Reform Program. This program was co-funded through a levy on service funding agreements and ACT Government funds. It aimed to reduce red tape and provide sector development that would strengthen organisational capacity to continue to operate in a changing and challenging operating environment. The program contributed to aligning legislative, regulatory, administrative and reporting requirements; development of red tape reduction measures; and access to consulting services that assisted community-managed organisations to build strength and resilience in financial management and governance.

Following a review of the Community Sector Reform Program, the ACT Government and community organisations agreed that while substantial structural adjustment in community services continued, and as the sector matured, there was a need for strategic and coordinated planning across the different parts of the sector. This planning could inform future investment in sector development that would ensure sustainable, effective, strengths-based services, and support civil society and citizen engagement that would guide the sector and hold it to account into the future.

Initiated through the Joint Community Government Reference Group which has had oversight of the Social Compact since 2004, this strategic planning process is governed by a Steering Committee that includes community sector, consumer, government and union representatives. This approach recognises the interdependence that lies at the foundation of the Social Compact, working together to support the Community Services Industry to plan for a future that achieves the best balance between continuity and change.

What does an Industry Strategy do?

An Industry Strategy provides a platform for the industry to recognise itself as an industry with a common vision and values, and position itself to be sustainable into the future. An Industry Strategy has the potential to identify challenges, recognise capability gaps and create opportunities for the future. It can be used to increase whole of industry collaboration and develop a vehicle for reform. Through recognition of the industry’s strengths, a forward looking Strategy enables industry to take ownership of sourcing and creating new opportunities for growth including through social investment models to meet market demand for community services. The Industry Strategy is designed to be enduring with a series of action plans for the short term to transition to the future state.

⁹ ACT Government Community Services Directorate, *Community Sector Development Program – Trends and Lessons* (September 2014) 3.

¹⁰ ACT Government Community Services Directorate, *Community Sector Development Program – Trends and Lessons* (September 2014).

¹¹ ACT Government Community Services Directorate, *Community Sector Development Program – Trends and Lessons* (September 2014).

¹² Pro Bono Australia, *State of the Not for Profit Sector Survey* (4 September 2014) 17.

¹³ ACT Government, ‘The Social Compact – a relationship framework between the ACT Government and community sector’ (2012).

¹⁴ ACT Government, ‘Better Services – Human Services Blueprint’ (2014).

Vision for the ACT Community Services Industry

Articulating a shared vision for the ACT Community Services Industry is the first step in developing a unified industry voice and shaping the future direction of the industry.

Our vision for the ACT Community Services Industry

An inclusive, equitable and sustainable¹⁵ Community Services Industry will:

- deliver quality services to create more connected communities which will support vulnerable individuals and families to be empowered and to fully participate in their communities and to take charge of their own future;
- undertake community development to create social value, build social capital and improve living conditions;
- put the needs of our clients and communities at the centre of everything we do;
- be a trusted voice on the needs of our communities with a strong evidence base that will shape policies and engage in social planning for the Territory and its regions.

Alignment with the 2012 Social Compact and 2014 Human Services Blueprint

The vision for the Community Services Industry is clearly aligned with the directions in the 2012 Social Compact and the 2014 Human Service Blueprint which provide the foundations for the ongoing development of the Community Services Industry in the ACT.

The 2012 Social Compact outlined a vision “to build Canberra as a place where all people reach their potential, make a contribution and share of the benefits of an inclusive community”¹⁶ while the 2014 Human Services Blueprint has a vision that “all Canberrans have the capability to fully participate in strong, healthy and inclusive communities and are enabled by a cohesive human services system.”¹⁷

The values that underpin the Community Services Industry

The Community Services Industry is built on commitment to the values of equity, inclusion, diversity recognition and respect, leadership and continuous improvement:



Equity - we aim to create the conditions needed so that everyone can participate to the fullest extent possible in the economic, social and cultural activities of life, as well as enjoy their civil and political rights.



Inclusion - we aim to empower vulnerable individuals, families and communities who are experiencing disadvantage and marginalisation.

¹⁵ ACT Compact 2012

¹⁶ ACT Government, *The Social Compact: A relationship framework between the ACT Government and community sector (2012)* 1.

¹⁷ ACT Government, *Better Services: Human Services Blueprint (2015)* 3



Diversity - we actively promote non-discrimination in providing services and we recognise the value in embracing all people in need of community services irrespective of sex, gender or sexual identity, age, race, disability, cultural or linguistic background, religion or political opinion.



Recognition and respect - we actively promote the rights and inherent dignity of the people who receive our services and whose interests we advocate for.



Leadership - we act with integrity, ethical practice, accountability and leadership in the way we partner.



Continuous improvement - we strive for innovation and continuous improvement in the planning and delivery of services, and workforce development.

Strategic context

Community services are continuing to operate in a dynamic environment characterised by changing demographics including an ageing population and rising levels of social disadvantage as well as changes in the broader policy, funding and regulatory environment.

The Community Services Industry is operating within a dynamic environment. Some challenges are external and are impacting on all industries. Demographic changes, for example, impact most services and industries including the workforce, while analysis of disadvantage highlights the growing need for a range of community services. Digital technological advances and the practice of digital inclusion provides opportunities to change service provision modalities as well as modernise both business and measurement functions for a whole range of organisations and businesses in the public and private sectors. Other challenges, such as the rollout of the NDIS and consumer directed reforms in aged care, are more unique to the industry. There are competing pressures impacting on and opportunities available to the Community Services Industry.

Diversity and disadvantage

Different groups in the ACT experience disproportionate levels of disadvantage



There remain very significant gaps in outcomes for **Aboriginal and Torres Strait Islander peoples** in the ACT



Vulnerable children and young people require supports so they do not enter tertiary systems, like out-of-home care and juvenile justice



People with disability face restrictions to schooling, employment, social inclusion and civic participation



People with mental illness are over-represented among the unemployed, those on low incomes and the homeless



Family and domestic violence is costly and prevalent and special attention is needed to address this issue in society



LGBTIQ* people experience discrimination in access to services and areas of public life (*Lesbian, Gay, Bisexual, Transgender, Intersex, and Queer)

Economic context



**ACT
Population**
386,000
ABS 2014



**Indigenous
population**
1.5%
2011 Census



**Parents born
overseas**
32.2%
2011 Census



**Average weekly
earnings**
\$1,716
ABS 2015



**Unemployment
rate**
4.3%
ABS 2016

Economic Performance

The ACT's economic performance is strongly linked to government employment, and contractions in spending at the federal level can have a significant impact. After a period of sluggish growth, the ACT economy recorded an increase of 5.4% over the 2014-15 period in State Final Demand, a measure of household and business spending, which is the second strongest of any state or territory and well above the ACT economy's long-term average growth rate. The latest State of the States report released by Commsec has ACT ranked third as the best performing economy with strong growth in housing and equipment.¹⁸

The unemployment rate in the ACT is currently 4.3% and is also lower than any other jurisdiction in Australia. However, the jobless rate in the ACT is almost 19% above its decade average. The ACT has the highest average weekly earnings (\$1,716) due to the high proportion of public sector workers, who on average earn more than those in the private sector.¹⁹ However, this can mask levels of disadvantage as outlined below.

Competition for Workforce

As one of the fastest growing areas of the economy, the Community Services Industry will need to increasingly compete for staff with other sectors. In the ACT, the main competition faced by community services is the Federal and Territory public services which have historically offered more secure and higher paid employment conditions. To meet increasing demand for services, the Community Services Industry will need to position itself as an employer of choice and improve its overall attractiveness especially to younger people given the ageing of the workforce.

Changing demographics exert pressure on the industry

Demographic changes such as population growth and the needs of young and old Canberrans including an ageing population,²⁰ is one of the factors which industry must respond to.

The ACT has a unique demographic profile, compared to other Australian states and territories. It is experiencing strong population growth, with a population increase of 2% in 2012, which is higher than the national average of 1.7%.²¹ Although the population of the ACT is relatively young compared to national standards, the proportion of the population over 60 years of age is also increasing. The government's population projections show an ageing population, with the percentage of Canberrans aged over 65 set to double from the 2012 level of 11% to 22.5% in 2062.²² Chart 1 below shows the projected population growth in the ACT from 2012 to 2062.

¹⁸ CommSec, State of the States, April 2016 economic performance report, ACT (2016).

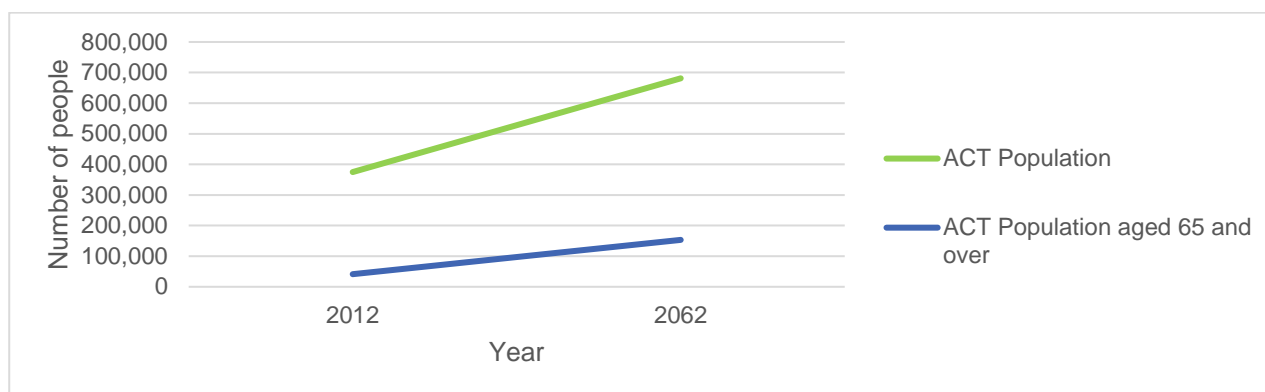
¹⁹ Australian Bureau of Statistics, Average Weekly Earnings, Australia, Nov 2015 (2016).

²⁰ ACT Government, Towards One Human Services System with you at the centre, 8

²¹ Australian Demographic Statistics Sept 2012.

²² ACT Treasury, ACT Population Projections, 2013 to 2062 Projected ACT Population.

Chart 1. ACT projected population, by people aged 65 and over, from 2013 to 2062



Source: ACT Treasury, ACT Population Projections, 2013 to 2062 Projected ACT Population

Canberra experiences a high cost of living

Research undertaken by the National Centre for Social and Economic Modelling (NATSEM) has found that Canberra has one of the highest costs of living of any Australian city, with medium rents higher than the national median.²³ Disadvantaged residents in particular face one of the highest costs of living in a capital city in Australia, partly due to the price of rent.²⁴

Social context

There are significant numbers of ACT residents who experience disadvantage

Disadvantage in the ACT is masked, as many people who live in an area are not disadvantaged.²⁵ However, using a Socio-Economic Index for Individuals (SEIFI) it is estimated that more than 40,000 ACT residents experience high levels of disadvantage.²⁶ There are also pockets of residents who experience financial stress.²⁷

Particular clients and vulnerable groups can experience multiple types of disadvantage and the complexity of client needs is increasing. This requires integrated service responses that can bring together a range of providers working collaboratively with consumers who need support over long periods of time, for example, people experiencing homelessness who also need assistance with mental health or drug and alcohol problems.

The social policy agenda has changed and housing has become a more pronounced social issue

The need for affordable housing and more choice in housing is becoming more pronounced, 'particularly diversity to meet the needs of people of all ages, abilities and lifestyles.'²⁸

In 2011, Canberra had the second highest rate of homelessness, after the Northern Territory, in Australia, and there were 9,910 households who were experiencing housing stress. As access to affordable housing declines across the country, this situation is only likely to worsen over the coming years. Older women have been identified as a group who could be particularly affected due to women's generally lower access to adequate levels of superannuation and other benefits in retirement.

As at June 2015, there were 671 children under 18 years of age in out-of-home care in the ACT.²⁹

Location-base data from the Australian Early Development Census also shows that different communities in the ACT have higher rates of young children assessed as developmentally vulnerable.³⁰ In Regional ACT, for

²³ NATSEM, Disadvantage in the ACT 2013

²⁴ *ibid*

²⁵ *ibid*

²⁶ ACT Government, Towards One Human Services System with you at the centre, 8

²⁷ NATSEM, Disadvantage in the ACT 2013; Tony Vinson and Margot Rawsthorne (2015), *Dropping Off the Edge 2015*.

²⁸ *Ibid*.

²⁹ Australian Institute of Health and Welfare, *Child protection Australia 2014-15* (2016) 53.

³⁰ Australian Early Development Census, Data Explorer, Australian Capital Territory, Regional ACT.

example, the rate of children assessed as developmentally in two or more domains – physical, social, emotional, language, and communication – is 17.6%, which is higher than the overall rate of 10.3% in the ACT.³¹

The role of advocacy and peak bodies in system change

The Community Services Industry provides services to some of the most vulnerable and disadvantaged people in the ACT. Consumer advocacy based organisations and peak bodies have a critical role to play in amplifying the voices of the people who use community services and whose voices often go unheard. They are also well positioned to represent the interests of service providers and to engage in the development of best practice service models.

The development of the Community Services Industry Strategy needs to draw on the extensive skills and knowledge of peak organisations who hold information about service providers and the needs and circumstances of particular groups and clients. Peak bodies also play an important role in disseminating information throughout the sector, in promoting public policy debate, and encouraging more participative decision making which will be important in raising the profile of the industry under the Industry Strategy.

People are wanting more say in how services are designed and delivered

Consumers themselves can also bring enormous value to decision making and the industry needs to work in partnership with consumers to develop and empower them to be active participants in the planning and delivery of services. Community services are about working with people, and the consumer voice will be critical in ensuring that services are relevant, fit for purpose and can make a real difference to people's lives.

The consumer directed care reforms that have emerged in disability and aged care are likely to be extended further. Community services need to be able to work effectively with citizens and service users to better understand what they need and how best to provide services to meet that need. This requires the development of engagement mechanisms that allow genuine input in to the design of services.

Funding and regulatory environment

Government contracting and procurement is changing and new models of service delivery have emerged

In addition to changes in contracting and procurement reforms, there has been a radical change in service delivery with the introduction of the NDIS and structural changes to the aged care system. For example, consumer-directed care has created a new way of funding and delivering human services designed to give people who receive services greater choice and control over their futures.

This will have significant implications for the funding and delivery of community services as providers move away from block funding agreements to fee for service payments and face increasing competition from new market entrants. The ongoing financial sustainability of smaller services in particular will be challenging in this new environment especially in ensuring they can provide cost effective services and keep overhead costs to a minimum.

Where government remains the direct purchaser of services, the focus is shifting increasingly towards funding for outcomes rather than outputs or inputs. This has been accompanied by the government moving away from historical contracting arrangements to re-commissioning processes which seek to create more competitive tensions in government procurement processes and introduce a greater focus on the evidence about what is being achieved with the expenditure of public funds. Re-commissioning can significantly impact the structure of the Community Services Industry and there are concerns that tendering processes will reduce the overall number of providers in turn reducing diversity and choice for consumers. The length of government contracts is also important in supporting financial sustainability and providing certainty to support ongoing employment.

The split of tax revenue between the federal government and the ACT also impacts how health and community services can be resourced. Divergent policy goals between different levels of government can impact government funding arrangements and capacity for community services. Community service organisations experience this pressure as they must navigate an increasingly complex funding environment.

New alliances have been formed between government, business, community to address social issues and community development

³¹ Australian Early Development Census, Data Explorer, Australian Capital Territory, Regional ACT.

With the trend for smaller government, and increasing fiscal pressures, the traditional responsibilities of government have been questioned. Government is moving away from being a direct provider of services to acting more as a purchaser, funder and regulator. New models such as collective impact, which forge a partnership approach between government, business and community, have emerged. It is recognised there is an increasing need for 'leadership and collaborative partnerships of this nature'.³² The appropriate relationship between the sectors to achieve the desired community and industry vision must continue to be explored. In the developing social investment market, investment models include social finance, social enterprises, payment by outcomes and social benefit bonds. These new financing models offer opportunities for community services to diversify their funding sources.

Regulatory practice and reform

Regulatory reform and reducing red tape is a key part of creating the right environment for industries to flourish, and it is a key strategy of the ACT Government's *Confident and Business Ready* strategy.³³ The ACT Government has committed to continuing to reduce red-tape for health and social care enterprises, and to keep investing in up-skilling across a range of areas including governance and financial management.

Key governmental reports such as the Australian Government Competition Policy Review³⁴ have urged the extension of competition policy and informed choice into human services. The industry has seen the introduction of profit-for-purpose organisations into the delivery of community services, and an increased emphasis on innovation and adaptability in developing sustainable service delivery models. This will only add further impetus for the need to develop a strong and sustainable Community Services Industry which can play a key role in shaping regulatory reform in an increasingly market driven competitive environment.

Technological changes

Technology offers the opportunity to transform service provision

Technology, digital inclusion and the use of data are creating opportunities and new mediums to improve service delivery. Technologies and phone based applications are making it easier for organisations in different industries to stay connected, strengthen networks and build collaboration. There is the option of open data sets as a means of enabling and transforming service provision to meet the needs of the community. There is also the opportunity to develop applications to inform people receiving services about service options in a competitive marketplace such as the NDIS, support data collection and monitor and measure outcomes with low ongoing costs.

The ability of ICT to communicate directly with service users is an emerging area which offers particular opportunities for community services. Mobile apps designed specifically for homeless people in the United Kingdom have been developed to connect people who are sleeping rough with local services and are a great example of how technology can be put directly into the hands of consumers to empower them and provide more choice and information. The Australian equivalent, an online application named *Ask Izzy*,³⁵ is also now operational.

Globalisation has changed the nature of the market for the Community Services Industry in the ACT

The increased speed and scope of movements of people, goods and services across the globe enabled by technological change has impacted on the structure of the Community Services Industry across Australia. For example, the consequences of international interconnectivity such as the global financial crisis and unexpected changes in commodity prices have impacted on government revenue, leading to pressures to reduce expenditure in areas such as community services.

³² ACT Government, *Time to talk: Canberra 2030 Outcomes Report* (December 2010), 7.

³³ ACT Government, *Confident and Business Ready* (May 2015).

³⁴ Australian Government, *Competition Policy Review – Final Report* (March 2015)

³⁵ Ask Izzy, at: <https://askizzy.org.au/>.

Impact of volunteerism

While the overall rate of volunteering in Australia declined between 2010 and 2014,³⁶ the rate of volunteering in the ACT has remained stable with nearly four in ten adults volunteering (36.8%). This not only covers community services but also includes volunteer activity associated with religious, sport and recreation organisations where the majority of volunteers are involved.³⁷

Volunteers are the backbone of many community services including their role in the governance of service organisations and their role in delivering government programs and national institutions such as schools. Maintaining this level of volunteerism will be a challenge for the industry into the future with people becoming more time poor due to work commitments, the impact out-of-pocket expenses, the administrative burden involved with volunteering, and the general lack of resources within some organisations to support volunteering.³⁸ On the other hand, a retiring workforce and ageing population in the ACT could potentially provide a growing source of potential volunteers.

The April 2016 *State of Volunteering Report in Australia* found the volunteering peak bodies including Volunteering ACT and Contact ACT, have an important role to play in addressing these barriers and facilitating volunteering, including by developing and delivering targeted marketing and recruitment campaigns to promote volunteering in undersubscribed sectors,³⁹ and advocating for red tape reductions to reduce the administrative burden of volunteering⁴⁰ and through provision of a volunteer resource centre in the Canberra region.

It is important to acknowledge the changing dynamics arounds volunteers, and the role of volunteers in supporting the work of community organisations using new models of service delivery. Adequately resourcing the volunteer workforce will be an important feature of the future ACT Community Services Industry.

The need to better understand the contribution of volunteers has been identified as a key issue particularly in understanding the different roles they can play given that some volunteers are critical in the governance of the organisation (through a volunteer board), others undertake 'unpaid service delivery', while others complete 'project-based work'.

³⁶ Australian Bureau of Statistics, General Social Survey: Summary Results, Australia, 2014, Media Release (17 September 2015).

³⁷ Australian Bureau of Statistics, General Social Survey (2015)

³⁸ Volunteering Australia, *State of Volunteering in Australia, Help Create Happiness* (April 2016) 9.

³⁹ Volunteering Australia, *State of Volunteering in Australia, Help Create Happiness* (April 2016) 7.

⁴⁰ Volunteering Australia, *State of Volunteering in Australia, Help Create Happiness* (April 2016) 9.

Current state of the Community Services Industry

The Community Services Industry comprises a vibrant and diverse collection of services which are purpose driven and include volunteer organisations, major service providers, citizen voice organisations and community development initiatives. The industry interacts with government, other organisations and industry groups. At the heart of the industry are the recipients of community services, be they individuals, a particular community or the whole population.

Components of the Industry

Community services include a broad and diverse range of services which are engaged in health and human service activities. Organisations vary in size, the services they offer, the people they provide services to, and in their use of volunteers. Services may focus on meeting the needs of particular groups of clients for example youth services or services for Aboriginal and Torres Strait Islander people while other services meet the needs of a diverse range of clients. There are a number of organisations in the ACT who provide services ranging from child care and family support through to homelessness and aged care services under the one organisational umbrella.

Community services interact with the federal and ACT Government almost on a day to day basis in some way or another. Services also interact with different parts of government. For example, community health service providers work primarily with the Health Directorate in the ACT Government while the majority of other community service providers interact primarily with the Community Services Directorate. The ACT Government is committed to developing the best possible environment, for example through policy, legislative and funding settings, to enable the Community Services Industry to achieve its goals.⁴¹ Ensuring alignment of government responses across the relevant agencies will be important in supporting a coherent approach to the development of the Industry Strategy.

Profile of the Community Services Industry

There are different definitions of the Community Services Industry and different time frames for data collection and reporting. It is also important to note there are differences between government and community organisation data. For example, labour force data and data about the economic contribution of different industries from the Australian Bureau of Statistics (ABS) and data about government expenditure from the Productivity Commission, all use different standards to define the Community Services Industry. This makes it difficult to accurately capture and profile the industry and its contribution. For the purposes of the Industry Strategy, a variety of data sources have been drawn upon.

Detailed estimates of the labour force⁴² and economic contribution⁴³ of different industries in Australia are regularly released by the ABS. These estimates organise industries into one of 19 main divisions under the

⁴¹ ACT Government, *The Social Compact: A relationship framework between the ACT Government and community sector (2012)* 6.

⁴² Australian Bureau of Statistics, *Labour Force, Australia, March 2016, Explanatory Note 1 (April 2016)*.

⁴³ Australian Bureau of Statistics, *Australian National Accounts: State Accounts, 2014-15 (2015)*.

Australian and New Zealand Standard Industrial Classification (ANZSIC)⁴⁴ to enable analysis.⁴⁵ Although ANZSIC classifications do not discretely identify community services industries, the Health Care and Social Assistance (HCSA)⁴⁶ industry division has been relied upon as a starting point for classifying community services.⁴⁷ This report uses labour force data and data about the economic contribution of the HCSA industry to describe the profile of the Community Services Industry in the ACT. The HCSA industry division has four main areas (see Table 1 below).

Table 1. Main areas in the Health Care and Social Assistance ANZSIC industry division

Areas in HCSA industry division ⁴⁸	Description
Medical and other health care services	Includes general practice medical services, specialist medical services, pathology and diagnostic imaging services, dental services, optometry and optical dispensing, physiotherapy services, chiropractic and osteopathic services, and other allied health services).
Hospitals	Includes non-psychiatric hospitals and psychiatric hospitals.
Residential care services	Includes: <ul style="list-style-type: none"> • Aged care residential services (nursing homes and other supervisory type accommodation services for the aged) • Other residential care services (children's homes, community mental health hostels, crisis care accommodation, homes for the disadvantaged, hospice operations, and residential refuges).
Social assistance services	Includes: <ul style="list-style-type: none"> • Other social assistance services (adoption services, adult day care centres, aged care assistance services, alcoholics anonymous services, disabilities assistance services, marriage guidance services, soup kitchens, welfare counselling services, and youth welfare services) • Social assistance services not further defined (any other social assistance service mainly engaged in providing social support services directly to clients). • Child care services, which are classified as part of social assistance services (before and/or after school care service, child minding services, family day care and children's nurseries).

Source: Australian Bureau of Statistics, Australian and New Zealand Standard Industrial Classification (ANZSIC), Division definitions (2013)

Government expenditure on community services in the ACT

Data about recurrent local, state/territory and federal government expenditure on services is reported each year by the Productivity Commission.⁴⁹ Expenditure data is broken down into 16 main areas and several sub-areas, and it is estimated that recurrent government expenditure on homelessness services, youth justice services, child protection and out-of-home care services, services for people with disability, social housing, and aged care services in the ACT totals around \$539.3 million each year (see Chart 2. Recurrent government expenditure in the ACT, by selected service areas, 2016).⁵⁰

⁴⁴ Australian Bureau of Statistics, Australian and New Zealand Standard Industrial Classification (ANZSIC), Introduction, Purpose of the ANZSIC (2013).

⁴⁵ Australian Bureau of Statistics, Australian and New Zealand Standard Industrial Classification (ANZSIC), Nature and objectives of the classification (2013).

⁴⁶ Australian Bureau of Statistics, Australian and New Zealand Standard Industrial Classification (ANZSIC), Division definitions (2013).

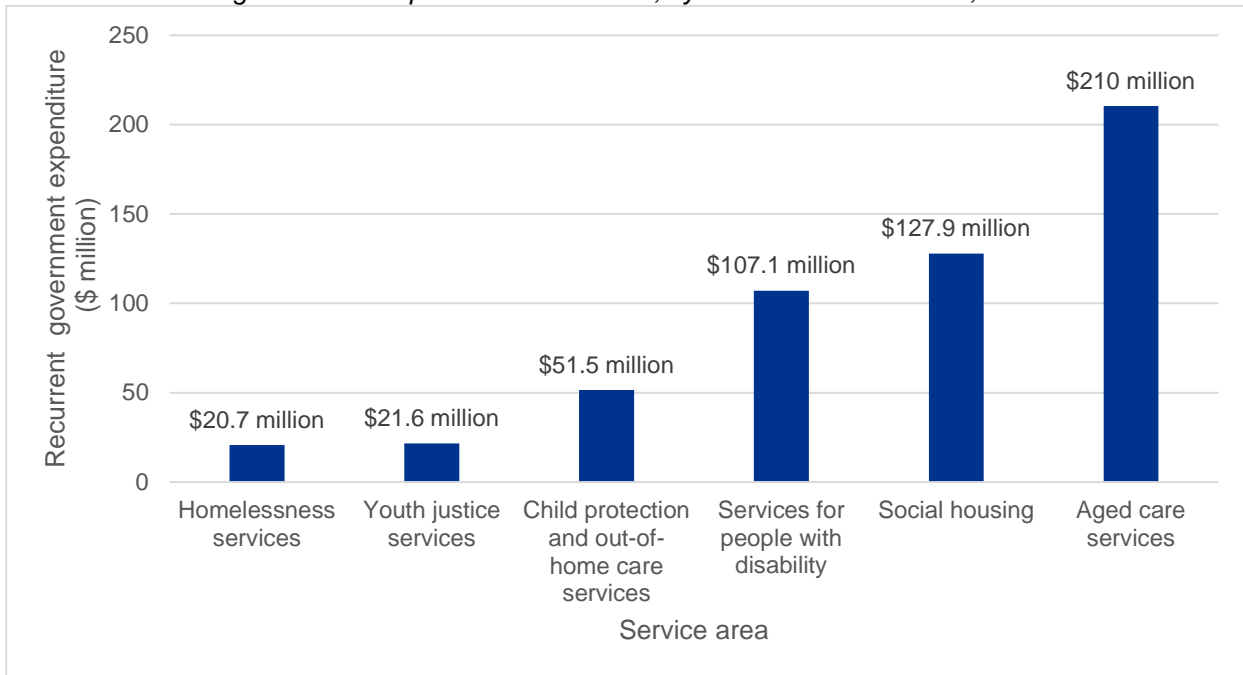
⁴⁷ Australian Institute of Health and Welfare, *Australia's welfare 2015* (2015) 47; Deloitte Access Economics, *Forecasting the future – Community Services in Queensland 2025* (2016) 90.

⁴⁸ Australian Bureau of Statistics, Australian and New Zealand Standard Industrial Classification (ANZSIC), Chapter 8 – the detailed classification, Division Q – health care and social assistance (2013).

⁴⁹ Productivity Commission, 2016 Report on Government Services (2016).

⁵⁰ Productivity Commission, 2016 Report on Government Services (2016).

Chart 2. Recurrent government expenditure in the ACT, by selected service areas, 2016



Source: Productivity Commission, 2016 Report on Government Services (2016).

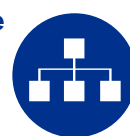
Economic contribution of the ACT Community Services Industry



Total income for charities and NFPs
\$3.8 billion
 ACNC 2016



Economic contribution of the Health Care and Social Assistance Industry
\$2.2 billion
 ABS 2015



Number of Community Services Industry organisations in ACT
280
 ACT Leave 2016

The gross value added or economic contribution of different industries is estimated by ABS using ANZSIC industry divisions as outlined above.⁵¹ The **economic contribution of the HCSA industry** division as a whole in the ACT in 2014-15 is estimated to be **\$2.2 billion**.⁵² Data from the Australian Charities and Not-for-profits Commission shows that total income for registered charities and not-for-profits in 2016 in the ACT was \$3.8 billion.⁵³ The difference between the figures on economic contribution and total income do not imply inefficiency, but reflect the different definitions used between the two data sets. The HCSA industry accounts for 6.74% of the gross valued added in the ACT, relative to other ANZSIC industry divisions.⁵⁴ The publicly available data released by ABS does not disaggregate the economic contribution of the HCSA industry division by its main areas. Evidently, medical and other health services and hospitals will account for a significant proportion of the HCSA industry division's overall economic contribution in the ACT. Data from ACT Leave shows there has been **growth of 37% in the number of Community Services Industry employer organisations** between 2010 and 2015,⁵⁵ as shown in Chart 3 below.

⁵¹ Australian Bureau of Statistics, Australian National Accounts: State Accounts, 2014-15 (2015).

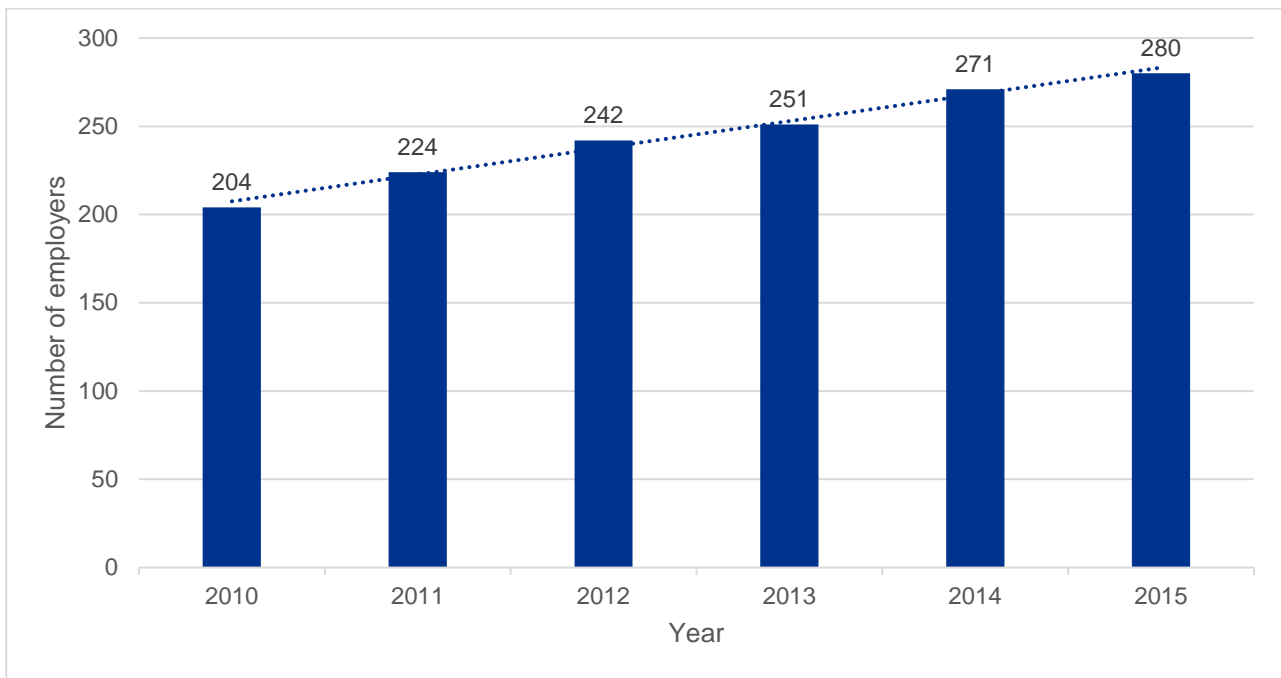
⁵² Australian Bureau of Statistics, Australian National Accounts: State Accounts, 2014-15 (2015), Table 9.

⁵³ Australian Charities and Not-for-profits Commission, Annual Information Statements (2016).

⁵⁴ Australian Bureau of Statistics, Australian National Accounts: State Accounts, 2014-15 (2015), Table 9.

⁵⁵ ACT Leave, ACT Long Service Leave Authority Industry Workforce Analysis – Community Sector (2016) 17.

Chart 3. Growth in the number of Community Services Industry employers between 2010 and 2015



Source: ACT Leave, ACT Long Service Leave Authority Industry Workforce Analysis – Community Sector (2016) 17

Workforce of the Community Services Industry



Charities and NFPs rely on many volunteers
 48,850
 ACNC 2016⁵⁸



Workers have low earnings compared to other industries
 43-55% lower
 AIHW 2015



Staff retention is the biggest operational issue for services
 16% reported
 ACOSS Survey 2013



Women are overrepresented in the workforce
 78% workforce are women
 ABS 2015



Workers eligible for long service leave projected to be 19,723 by 2021
 ACT Leave 2016



Registered disability services have increased recently to 170 organisations
 ACT CSD 2016

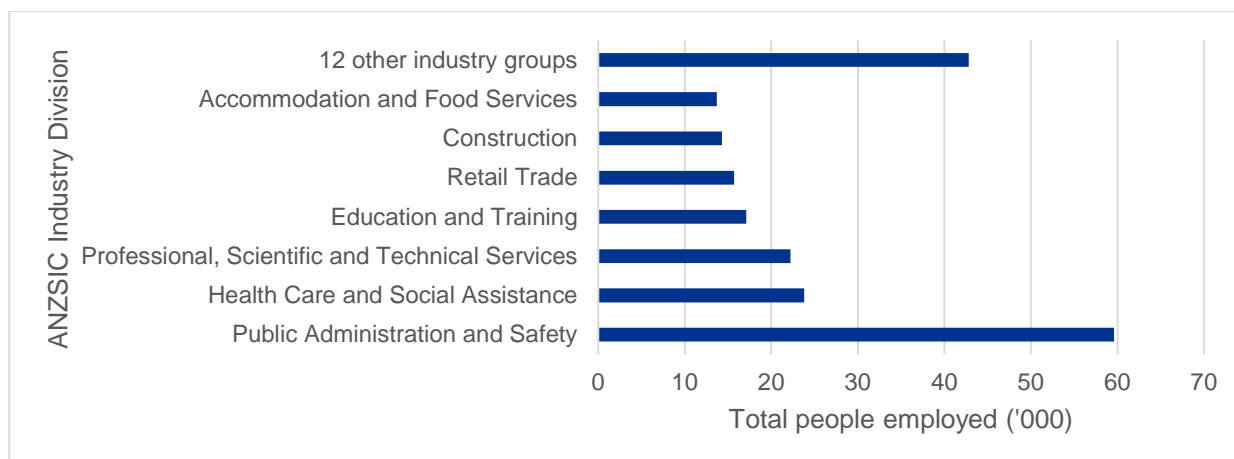
⁵⁶ It is estimated that approximately 111,600 people over 15 years of age volunteer in the ACT, with the majority of volunteer hours involved with religious, sport and physical recreation organisations: it is unknown how many of the volunteers in these data are in the community services industry. Australian Bureau of Statistics, *General Social Survey: Summary Results, Australia, 2014* (2015).

The workforce of the ACT Community Services Industry has a number of distinct characteristics. For example, there are an estimated 48,850 volunteers that are relied on by charities and not-for-profit organisations;⁵⁷ earnings for community service workers are estimated to be between 43% to 55% lower than other industries;⁵⁸ and staff retention has been reported as the biggest operational issue faced by services.⁵⁹

In 2013, it was estimated that **volunteers contribute over \$1.5 billion** to the ACT economy each year, noting this also includes volunteers outside the Community Services Industry.⁶⁰

Labour force data for the quarter ending in February 2016 shows the HCSA industry division as a whole employs 23,800 people (11.37% of those employed in the ACT), making it the second largest industry employer in the Territory,⁶¹ relative to the 18 other ANZSIC industry divisions (see Chart 4 below).

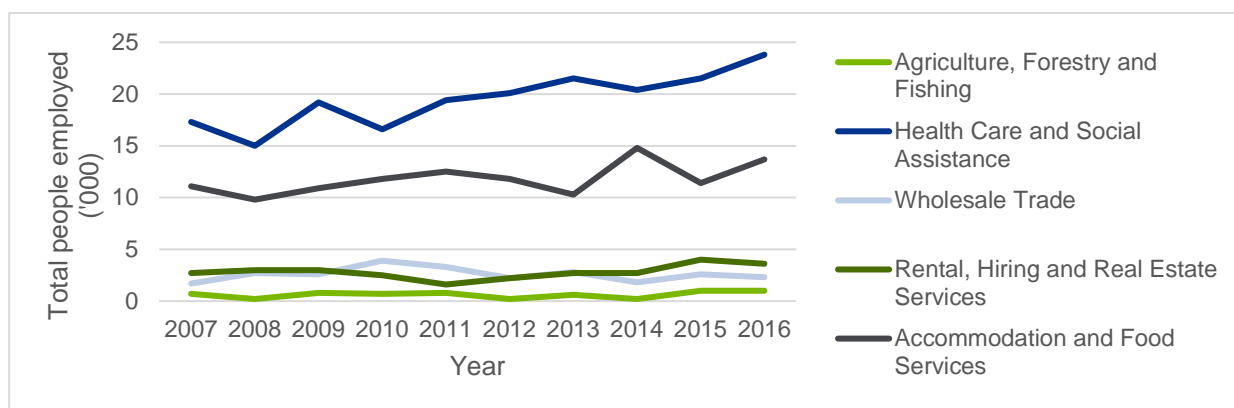
Chart 4. Employer persons in the ACT, by ANZSIC industry divisions, 2016



Source: Australian Bureau of Statistics, Labour Force, Australia, Detailed, Quarterly, Feb 2016 (March 2016)

Labour force data over the ten-year period of 2007-2016 shows the HCSA industry division as a whole also experienced the second highest rate of growth in employment (27.3%), relative to the 18 other ANZSIC industry divisions (see Chart 5 below). The HCSA industry employed 17,300 people in 2007 and 23,800 in 2016.

Chart 5. Employed persons in the ACT, by ANZSIC industry divisions with highest rate of growth in employment over ten-year period, 2007-2016



Source: Australian Bureau of Statistics, Labour Force, Australia, Detailed, Quarterly, Feb 2016 (March 2016).

⁵⁷ Australian Charities and Not-for-Profits Commission, Explore all charities, Australian Capital Territory.

⁵⁸ Australian Institute of Health and Welfare, *Australia's Welfare 2015* (2015) 56.

⁵⁹ Australian Council of Social Services, *2013 Australian Community Sector Survey* (2013).

⁶⁰ Volunteering ACT, *The State of Volunteering in the ACT 2013* (2013) 5.

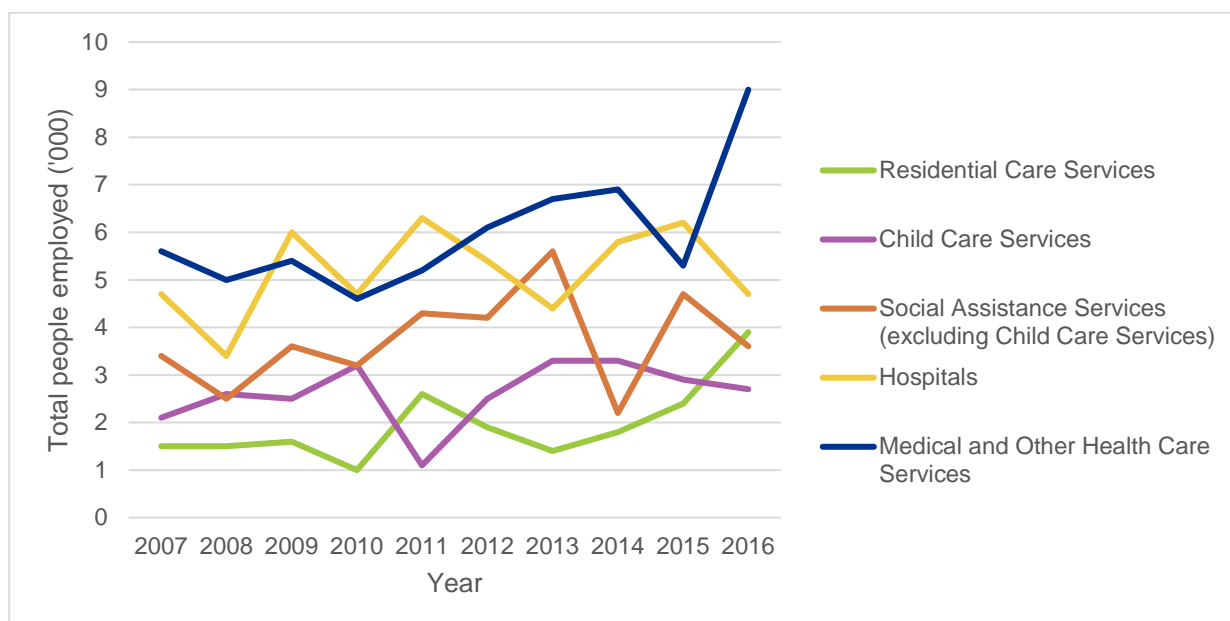
⁶¹ Australian Bureau of Statistics, Labour Force, Australia, Detailed, Quarterly, Feb 2016 (March 2016).

In defining the Community Services Industry, it is important to differentiate between the four main areas of the HCSA industry division. The Australian Institute of Health and Welfare in its 2015 national report on Australia's welfare and Deloitte Access Economics in its 2016 report on the future of community services in Queensland excluded medical and other health care services and hospitals from their definitions of the Community Services Industry.⁶² Deloitte Access Economics also excluded aged care residential services, but included other residential care services.⁶³

When medical and other health services and hospitals are isolated from residential care services, social assistance services and child care services within the HCSA industry division, a different pattern of industry employment and growth emerges in the ACT.

Medical and other health services account for more than one-third (38%) of those employed in the HCSA industry division; followed by hospitals (20%); residential care services, including aged care services (16%); social assistance services (15%); and child care services (11%) (see Chart 6 below).

Chart 6. Employed persons in the ACT, by Health Care and Social Assistance ANZSIC industry group, by main areas, over ten-year period, 2007-2016



Source: Australian Bureau of Statistics, Labour Force, Australia, Detailed, Quarterly, Feb 2016 (March 2016).

If medical and other health services and hospitals were a separate industry division in the ACT, it would account for 6.54% of those employed (13,700 people); and its rate of growth in employment over the ten-year period of 2007-2016 would be the fourth highest (24.8%), relative to other industry divisions.

If residential care services, including aged care services, and social assistance services, including child care services, were a separate industry division in the ACT, it would be the eighth largest employer in the ACT; it would account for 4.87% of those employed (10,200 people); and its rate of growth in employment over the ten-year period of 2007-2016 would be the highest (31.3%), relative to other industry divisions.

⁶² Australian Institute of Health and Welfare, *Australia's welfare 2015* (2015) 47; Deloitte Access Economics, *Forecasting the future – Community Services in Queensland 2025* (2016) 90.

⁶³ Deloitte Access Economics, *Forecasting the future – Community Services in Queensland 2025* (2016) 90.

Social impact

The contribution of the community services portfolio is often undervalued due to the difficulty of measuring its economic contribution and challenges with measuring outcomes in the industry.⁶⁴ However, there is an increasing amount of work being undertaken on conceptualising the contribution of community services as well as measuring the social and economic impact of these services.

SOCIAL CAPITAL

In 2010, the Productivity Commission released its final report into the contribution of the not-for-profit and community sector.⁶⁵ The Productivity Commission found that community sector organisations contribute to wellbeing in four broad ways, including by connecting the community and expanding social networks available to individuals:

Connection through worship, social and sporting clubs and other organisations that promote community engagement are obvious examples, but connection can also occur through volunteering, such as with a service delivery organisation. Provision of social support services can also provide a means by which socially excluded individuals can re-engage with society.⁶⁶

The Productivity Commission suggested the extent of activity by community sector organisations can be an indicator of the health of society.⁶⁷

VOLUNTARY SERVICE

In 2015, the Australian Institute of Health and Welfare (AIHW) proposed a new reporting framework on the performance of the welfare system, the contribution of the community and other sectors, and the influence of selected determinants.⁶⁸ The AIHW has proposed that adult volunteering should be a measure of community and social engagement:

The contribution of volunteers to a variety of organisations helps to build social networks, increases shared values and strengthens social cohesion. By volunteering, individuals can become more outwardly focused, leading to a decrease in social isolation, greater social connections and the promotion of good mental health.⁶⁹

Research conducted into volunteering in Australia has found volunteering helps build physical, human and social capital which is then converted into a set of economically valuable outputs that contribute to the broader welfare of the community.⁷⁰ Volunteers, in the Community Services Industry and all other areas, are estimated to contribute over \$1.5 billion to the ACT economy each year. Research into volunteering in Tasmania in 2014 estimated that for every \$1 invested in volunteering there is \$4 in benefits returned to the community.⁷¹

Improving outcomes for people experiencing disadvantaged as well as more generally developing strong social cohesion can result in increased employment and productivity for people, less reliance on government benefits⁷² and services across multiple agencies, as well as the development of social capital, sustainability and increased liveability of cities. This can be associated with broader long term benefits which may include longer term and even inter-generational savings for government.

SOCIAL COHESION

Research also shows investment in 'soft infrastructure' or community sector organisations can promote social capital and sustainability.⁷³ In 2010, Professor Cuthill considered social sustainability in the rapid urban growth area of South East Queensland in Australia. Cuthill argues that a socially sustainable community is, among other things, built on:

⁶⁴ Fieldwork, Community Services Queensland, A Community Services Industry Body (20 December 2012), 13.

⁶⁵ Australian Government, Productivity Commission, 'Contribution of the not-for-profit sector' (2010).

⁶⁶ Ibid, 37.

⁶⁷ Ibid, 17.

⁶⁸ Australian Government, Australian Institute of Health and Welfare, 'Australia's welfare 2015' (2015), 344.

⁶⁹ Ibid, 356.

⁷⁰ P Muller, Dr D Arthur, J Harvey, A Fisher and I McMahon, 'The Economic, Social and Cultural Value of Volunteering to Western Australia' *Institute of Project Management* (May 2015), Chapter 7

⁷¹ Volunteering Tasmania, *The state of volunteering report 2014* (2014).

⁷² Fieldwork, Community Services Queensland, A Community Services Industry Body (20 December 2012), 9.

⁷³ Michael Cuthill, 'Strengthening the 'social' in sustainable development: Developing a conceptual framework for social sustainability in a rapid urban growth region in Australia' (2010) 18(6) Sustainable Development page 362.

... equitable access to a range of health, education and community services, and government policy and processes support and provide appropriate resources to assist individuals and groups to develop their skills, knowledge and abilities to participate in social and civic networks.⁷⁴

Cuthill refers to evidence of how community sector organisations increase social sustainability through early intervention for vulnerable youth, savings in health costs, reducing crime and increasing employment.⁷⁵ For example, an early intervention program for vulnerable youth run by community sector organisations in Canada, has been shown to increase educational attainment and reduce the need for more costly special education.⁷⁶ The various programs including home visiting, child-focused playgroups, parent support, and school and classroom programs were also found to save \$2.50 per family for every dollar invested by government.⁷⁷

While there is much more work to be done to enable the widespread measurement of the social and economic impact of the industry, a number of case studies are outlined in Table 2 below which highlight the social contribution and impact of a number of social services.

Table 2. Case study demonstrating social and economic impact

Indigenous Community Volunteers	Parents as Teachers program	GROW community mental health program
KPMG reported in 2015 positive findings from a case study into an Aboriginal and Torres Strait Islander volunteer initiative, Indigenous Community Volunteers, which matches the capabilities of volunteers to community needs in a range of Indigenous communities. ⁷⁸ Improved community pride and well-being and strengthened community connectedness were reported as some of the positive findings. ⁷⁹	The parent education program was originally provided in the ACT on a universal basis, but its focus has recently changed to primarily serving families of vulnerable young children throughout pregnancy until the age of three years. Parents have reported that the program has increased their knowledge of child development and confidence in parenting. It has also been reported that parents value the support they receive in accessing services such as childcare, public housing, medical and mental health services plus counselling services. ⁸⁰	The GROW initiative is a community mental health program, which is operating in the ACT, and has been the subject of a pilot study in Western Australia by Dr Lizzie Finn to better understand its impact on psychological wellbeing. Dr Finn concluded that her 'GROW research highlights the critical importance in the recovery journey of the community context which GROW members enter to pursue wellness.' ⁸¹ Dr Finn recommends that longitudinal research into the GROW initiative and community mental health programs be conducted. ⁸²

Source: KPMG 2016

There is a critical need to focus on building the evidence base about the impact of community services and in identifying what interventions work best. A greater focus on action based research and evaluation will assist in further promoting the value of the industry and increasing awareness of the contribution and difference community services make to people's lives.

⁷⁴ Ibid, 368.

⁷⁵ Ibid.

⁷⁶ Ray DeV. Peters , Kelly Petrunka, Shahriar Khan, Angela Howell-Moneta, Geoffrey Nelson, S. Mark Pancer, Colleen Loomis, 'Cost-Savings Analysis of the Better Beginnings, Better Futures Community-Based Project for Young Children and Their Families: A 10-Year Follow-up' (2015) *Prevention Science*.

⁷⁷ Ibid, 8.

⁷⁸ KPMG, 'Economic and social impact of Indigenous Community Volunteers (ICV) activities' (2015), 5.

⁷⁹ Ibid.

⁸⁰ Families Act, *Parenting programs in the ACT* (May 2015) 33.

⁸¹ Lizzie D. Finn, Brian J. Bishop, Neville Sparrow, 'Capturing Dynamic Processes of Change in GROW Mutual HelpGroups for Mental Health' (2009) *Am J Community Psychol*, 8.

⁸² Ibid, 12.

Priority areas in need of response and industry outcomes

Priority areas and outcomes have been established to respond to the current industry challenges being experienced. It is anticipated that over the 10-year lifespan of the Industry Strategy, the priority areas will be addressed and the outcomes achieved.

Four key priority areas have been identified which must be addressed to help build a robust, agile and sustainable Community Services Industry.

The Community Services Industry improves its capability

Aim	Outcome
Create a culture of innovation	Organisations work together collaboratively to explore more innovative service models to better meet client needs. Innovation is incorporated into practice, policy and research within the Community Services Industry.
Ensure excellent outcomes are achieved through a highly skilled and developed workforce	The Industry has a Workforce Plan to support the recruitment and retention of individuals with the skills and abilities to meet current and future needs.
Be seen as a desirable area to work in	The industry employs professional and highly skilled staff and volunteers who are committed to providing quality services. Retention rates are high and staff are supported with recognised training programs and flexible work environments.

The industry further develops its research, planning and evaluation capability

Develop data and evidence	Actively plan, shape and develop the evidence base
Being able to measure the collective social and economic impact of services and the industry, and having a robust evidence-base	Information is collected to be ready for the future. The industry's social and economic contribution is measured. Government and industry data is shared with the community, to enable ownership of community issues. Data and information is shared between government, the industry and the community for the purposes of planning and advocacy.
Focus on achieving improved outcomes rather than outputs	Funding arrangements support a focus on achieving specific outcomes and provide flexibility for services to deliver on those outcomes. The industry is responsive to the needs of service users and the community and works collaboratively to meet the holistic needs of clients and achieve positive outcomes for communities.

Use data and evaluations to inform the design of services, deliver practical outcomes and address social disadvantage

The industry has a focus on continuous improvement to inform the planning and delivery of services using data and evidence to drive service improvements across industry.

The industry has access to up to date evaluations and research from around the world on what works best to address social disadvantage.

As an industry we enhance governance and leadership

Proactively engage with a future vision for society

The industry actively engages with the industry vision, builds on its strengths, responds to current and future challenges, and actively plans to build the vision of a connected community.

Transform relationships into effective partnerships that enhance service delivery, policy development and advocacy

The cooperative and collaborative networks across industry are further developed to create effective partnerships within the industry, between industry and government, and between industry to industry.

Genuine input from service users is seen as a critical element in the design of good policy and services.

The general community, politicians and service users recognises and values the industry

The industry's contribution to the economic and social fabric of ACT communities is widely recognised and understood including: the level of commitment and expertise of our workforce, the scope of community support provided to vulnerable people, advocacy for different groups, and the industry's contribution to social policy and community cohesion.

As a sustainable industry we are adaptive to survive and grow

Increase industry agility and develop service models for the future

The industry is able to quickly and effectively respond to changes in the social, economic and policy environments.

The industry actively influences policy development.

The industry is responsive to the needs of service users and the community.

The industry has an ongoing focus on the reduction of red tape and the negative impact of compliance measures on industry.

Become more forward looking while managing business as usual and maintaining cost effective services

Industry anticipates the impact of changes on the industry and plans for them.

The industry is effective and efficient, with clear policy, governance, strategic directions and effective workforce planning.

Diversity of service providers is maintained within the industry including small niche providers and larger not-for-profit and for profit providers across a broad range of community services.

Design services that meet individual client needs and community needs

The industry actively engages with service users and communities to co-design services that meet individual client needs

Genuine input from service users is seen as a critical element in the design of good policy and services.

Achieve sustainability	<p>Sustainable financial models are built which may include diversified income sources with an open orientation to embracing opportunities to improve outcomes for vulnerable individuals and communities.</p> <p>Industry members and organisations that are mostly or wholly funded by government maintain organisational autonomy and independence.</p> <p>Industry and government work together on the development of procurement models which support sustainability</p>
<p>Infrastructure is fit for purpose and supports a focus on continuous improvement</p>	<p>The Industry is supported by infrastructure including ICT infrastructure which helps promote more person centred services.</p> <p>Investment in infrastructure is targeted and there is sharing of resources across organisations including back office functions.</p>

Next steps – development of an action plan

The ACT Community Services Industry has defined its 10 year vision, the priority areas in need of response, and the industry outcomes it hopes to achieve over the life of the Strategy.

The next steps will be to confirm the governance mechanisms and put in place processes to develop the first three year action plan. The action plan will focus on the key initiatives that need to be pursued to build the industry's capabilities to achieve the desired outcomes and improve its overall sustainability.

Developing the first three year action plan

Implementation of the Community Services Industry Strategy needs to be supported by strong governance arrangements. The Joint Community Government Reference Group (Reference Group) is a governance mechanism which is already in place and which includes representatives from the industry and government. At this time, implementation of the Strategy will be driven through this existing structure.

The Reference Group will drive implementation of the Industry Strategy through development of the first three year action plan. The Group will adopt the Industry Strategy as a standing item on their agenda in order to:

- clarify roles and responsibilities within the group regarding the development of an Action Plan,
- outline the timetable and milestones for development of the first Action Plan,
- determine whether Action Plans will be for two- or three-year periods,
- develop structures for continued communication and engagement of the Industry,
- initiate a process for identifying new issues as they emerge, and
- consider processes for feedback and monitoring of implementation of both the Industry Strategy and the Action Plan.

The Reference Group will undertake joint policy development and promote the growth of a strong and vibrant Community Services Industry. Part of this role will be to identify opportunities for better integration of government and non-government services to meet client needs, consider opportunities to work across all community service government portfolios, develop further reduction of red tape, and develop processes in order to support further appropriate research, data collection and analysis.

The key themes to be considered in the development of the action plan are outlined below.

Industry capability improvements

Sector Development and Innovation Fund

An Innovation Fund should be established to encourage a range of industry development and innovation initiatives which will help translate the Industry Strategy into action. The fund could support initiatives which are focussed on:

- supporting the creation of new ways of working and holistic models of care;
- encouraging increased collaboration across the sector;
- involving clients in the planning and design of services; and
- promoting sharing of data and resources across organisations.

Workforce strategies

The need for a skilled workforce to meet the growing demand for services and provide more flexible and responsive client centred care has been identified as a major challenge for the industry going forward. Industry should focus on strategies which can support shared training programs and cross skilling of workers including upskilling of volunteers. Strategies aimed at attracting and retaining appropriately qualified staff should also be considered which could include joint marketing campaigns and other resource sharing initiatives.

Continued efforts to ensure that pay and conditions in the sector remain comparable with the public sector more broadly will be needed to ensure the sector does not fall further behind. Reviewing award conditions and associated industrial relations arrangements should also be considered in particular to meet the needs for services to provide more flexible and responsive client centred care.

Common ICT infrastructure and quality systems

There is the potential for an Industry Strategy to support the development of common ICT infrastructure, as well as quality and service costing systems to reduce duplication and improve efficiency across the sector. This could include larger organisations sharing their capabilities and resources with smaller organisations.

Cross sector collaboration should also be encouraged under the Industry Strategy and community services working in the health sector in particular have experience in the development of service costing models and frameworks which could be shared and applied more broadly across the sector.

Research, planning and evaluation

The lack of a strong evidence base and a proper focus on evaluation is seen as a major impediment to the Community Services Industry demonstrating its worth and better meeting client and community needs. A collective research, planning and evaluation agenda with designated research priorities would help build the evidence base about what works to best address social disadvantage and support improved outcomes measurement across the industry. Research priorities would need to be identified and agreed by the community sector representatives.

Community needs assessment

The need to provide integrated services to meet a community's needs and look at place-based approaches is well recognised. However, more work is required to understand exactly what the needs of particular communities are and what types of services are required to meet those needs. The Industry Strategy provides the vehicle for organisations to come together to undertake in depth community needs assessment targeting particular communities which would take into account demographic characteristics including levels of disadvantage and the current availability and distribution of services. Direct community input needs to be built into the needs assessment process including through client surveys and community forums.

Outcomes measurement framework

There is a wealth of data collected by community service organisations on the services they provide. However, the focus has primarily been on service outputs rather than the outcomes being achieved. Industry should work together to develop an outcomes measurement framework for human services that can be applied across services and which can capture both the tangible and intangible outcomes generated by community services including increased social cohesion and inclusiveness. This could include collecting and pooling data from across organisations to support outcomes measurement in selected priority areas such as homelessness or mental health.

Industry profiling

The Industry Strategy has highlighted the lack of consistent information and data to accurately profile the Community Services Industry in the ACT. More work on collecting information directly from providers to inform an in-depth industry profile would be useful. An industry survey could be undertaken to gather more detailed information on the state of the Community Services Industry including information on the size, nature of services, clients, staffing levels, revenue and asset base of providers.⁸³ This could be undertaken on a regular basis to track changes over time.

⁸³ One possible survey model is the UNSW Social Policy Research Centre, *State of the Community Service Sector in NSW* which was conducted in 2014 and 2015. It is noted that it is challenging to obtain adequate response rates in these surveys which are representative of the industry.

Enhancing governance and leadership

As the pace of change continues, and recognising the need for community services to become more business-like in their approach, there is the opportunity for organisations to work together to improve governance across the sector under the Industry Strategy.

Boards play a vital role in supporting the Community Services Industry and many comprise volunteers who give up their time to support their local community services provider. To enhance Board skills and capabilities, cross industry tools and resources could be developed to assist Boards and organisations to enhance their strategic planning, financial management and overall corporate governance capabilities.

Peak bodies play an important role in citizen engagement and in promoting the interests of community service providers as well as service users and the broader community. The role of the various peak bodies operating in the Community Services Industry should also be leveraged to support collective work on organisational leadership and cross agency collaboration.

Exploring sustainable adaptive models to grow

Government procurement processes are a key factor impacting on the sustainability of the Community Services Industry. A number of industry participants argued for the need for government to provide greater funding certainty by moving towards longer term contracts for community services. Concerns about the impact of recommissioning and tendering processes on small providers were also raised.

New approaches to tendering for human services are needed which encourage collaboration amongst providers and promote diversity in the provision of services.

Opportunities to diversify funding sources including through social impact investing should also be explored for the industry as a whole.

Appendix 1: Development of the Industry Strategy

As part of the ACT Government's Community Sector Reform Program, a considerable amount of background work has been undertaken on changes impacting the Community Services Industry in the ACT. During this background work, it became evident that a Community Services Industry Strategy would help position the industry to be able to respond to the challenges which lie ahead, and help secure the future sustainability of community services in the ACT.

In September 2015, an initial Community Services Industry Workshop was held and an ACT Community Services Industry Strategy Steering Committee was established. The members of the Steering Committee are as follows:

Name	Position	Agency
Maureen Sheehan	Executive Director	ACT Community Services Directorate
Tim Bavinton	Executive Director	Sexual Health and Family Planning
Maureen Cane, Rikki Anderson, Jean Giese	Acting CEO	Volunteering and Contact ACT
Camilla Rowland	President	ACTCOSS
Helen Westwood AM	Organiser	Australian Services Union
Darlene Cox	Executive Director	Health Care Consumers Association
Marcia Williams	Executive Director	Women's Centre for Health matters
Sam Engele followed by Louise Gilding	Executive Director	ACT Chief Minister, Treasury and Economic Development Directorate
Geoff Buchanan (Observer)	Policy and Research Officer	ACT Council of Social Service

The Community Services Directorate of the ACT Government, contracted KPMG to facilitate the development of the Community Services Industry Strategy. The Industry Strategy was developed from December 2015 to June 2016 through a consultative process. The key phases in development of the Industry Strategy are outlined below.

Date	Consultation mechanism	Purpose
December 2015	Preliminary Focus Group	A Preliminary Focus Group was used to facilitate discussion amongst industry stakeholders and establish the broad parameters for the direction of the Strategy. This group was used to develop the initial orientation for the subsequent focus groups and identify key insights from industry.
December 2015 to January 2016	Research	Research included consideration of other Community Services Industry Strategies, other industry's strategies; relevant reports and ACTCOSS background paper.
February 2016	Release of Industry Scoping paper – <i>Development of a Community Services Industry Plan in the ACT</i>	The scoping document was designed to support consultations with community service providers and other stakeholders, and to promote thinking and discussion on: the community sector as an industry, the benefits of an Industry Strategy, recent trends and how industry can participate in development of the Industry Strategy.

March 2016	Round 1 – Focus Groups	Round 1 consultations involved two focus groups with 13 participants and were held in February 2016. The purpose of Round 1 consultations was to formulate the Industry Strategy’s vision statement. These consultations were with a variety of industry stakeholders, including a dedicated group for workers.
March 2016	Round 2 – Focus Groups	Round 2 consultations involved four focus groups with 16 participants and were held in March 2016. The purpose of Round 2 consultations was to test the vision statement with industry, and attain feedback on key insights drawn from round one.
25 May 2016	Industry Forum	A half-day Industry Forum involving workshops with around 90 members of the ACT Community Services Industry was conducted to gain feedback on the draft Industry Strategy and to identify next steps and priority areas for action. The Industry Forum was opened by The Honourable Yvette Berry MLA, Minister for Housing, Community Services and Social Inclusion, the ACT Government Community Services Directorate, and ACTCOSS.
May to June 2016	CEO interviews	<p>CEO interviews involved 18 face-to-face or teleconference interviews with Industry CEOs and were held in March and June 2016. The purpose of Industry CEO interviews was provide comment and feedback on the Industry Strategy prior to the public release of the final version. The CEO interviews included:</p> <ul style="list-style-type: none"> • Kim Davison, CEO of Gugan Gulwan Youth Aboriginal Corporation • Will Mollison, Executive Officer of Families ACT • Gayle Sweaney, General Manager of Palliative Care ACT • Carrie Fowlie, Executive Officer of the Alcohol, Tobacco and Other Drug Association ACT (ATODA) • Simon Viereck, Executive Officer of Mental Health Coalition • Gavin Bussenschutt, ACT Regional Manager of Mental Illness Fellowship • Frances Crimmins, Executive Director of YMCA Canberra • Martin Fisk, Chief Executive Officer of Menslink • Wenda Donaldson, Executive Director of Australian Red Cross ACT/SE NSW • Jenny Kitchin, Executive Manager of Child, Youth and Family Services at Anglicare NSW South, NSW West and ACT • Danielle Dal Cortivo, CEO of Asthma ACT • Cheryl Pollard, CEO of DUO Services Australia • Carmel Franklin, Director of Care Financial Counselling Service • Fiona MacGregor, Senior Manager of Programs and Services at Belconnen Community Services • Angus McFarland, NSW and ACT (Services), Australian Services Union • Simon Rosenberg, CEO of Northside Community Services • Darlene Cox, Executive Director of Health Care Consumers’ Association of the ACT • Chris Redmond, CEO of Woden Community Service

