

## **Sustaining Community Sector Value in a Vital Community Services Industry**

### **Introduction**

In December 2015 the Community Services Directorate engaged KPMG to develop a Community Services Industry Plan for the ACT. The Industry Plan is due for completion in early 2016. ACTCOSS has been a key proponent of an Industry Plan to support the not-for-profit community sector through a period of structural adjustment and to strengthen it into the future. The development of the Industry Plan presents an opportunity and a challenge for ACT community organisations in all their diversity to see like a sector—to outline a shared vision and to identify actions needed to sustain and strengthen the community sector as a vital part of the community services industry into the future.

As the peak representative body for not-for-profit community organisations and people living on low incomes or experiencing disadvantage in the ACT, ACTCOSS has a strong commitment to supporting a sustainable, effective community sector with active citizen engagement. While elements of community sector reform have helped to make the sector more professional, accountable, and effective there are concerns that some trends ignore or undervalue key contributions of the community sector, including its role in strengthening civil society through advocacy, citizen engagement and community development.

As the Industry Plan is developed, ACTCOSS aims to support the community sector to articulate its value to government and the community and identify ways to sustain this value. ACTCOSS sees the Industry Plan as an opportunity to clearly and confidently communicate the community sector's distinctive contributions through service delivery, advocacy and community development. These contributions distinguish it from the government and for-profit sectors while highlighting the potential for social and economic returns to be generated through partnership with and investment in the community sector.

## How the Community Sector Creates Value

While the not-for-profit community sector has always been diverse, it has demonstrated a constant and enduring commitment to building a fair and just society that engages citizens as active participants in their community. Historically, the community sector in Australia has played a critical civil society role alongside the state and market sectors—complementing them, holding them to account, and addressing their failures. Within the community sector value is created through service delivery, advocacy and community development activities performed along a spectrum from small, specialist community organisations to regional and national peak bodies.

In their submission to the Australian Government Competition Policy Review, the Australian Councils of Social Service outlined the distinctive way the community sector creates value by working with and being embedded within the communities they serve.<sup>1</sup> In particular, the submission noted that value is created by the sector:

- working collaboratively, drawing on community strengths and bringing together government, private and philanthropic resources to solve what are often complex problems that can't be solved by one organisation, program or intervention alone;
- building relationships and creating trust within the community;
- providing opportunities for volunteering, learning, sharing, collective action, advocacy, integrated service delivery, community agency and capability; and
- contributing to civil society by generating shared or collective value in ways that market-based mechanisms neither seek nor have the capacity to.

The Community Services Industry Plan presents an opportunity for the ACT community sector to articulate the distinctive value it creates in the local community and to develop a plan to build on this value in partnership with government. To date, Tasmania is the only state or territory to have developed a Community Services Industry Plan, while a process is currently underway in Queensland to develop a 10-year Community Services Jobs, Skills and Industry Strategy.<sup>2</sup>

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1 Councils of Social Service in Australia, *Joint COSS Network Submission to Competition Policy Review*, ACOSS, Sydney, November 2014, <[www.acoss.org.au/wp-content/uploads/2015/06/COSS\\_Competition\\_Review\\_submission\\_november\\_2014.pdf](http://www.acoss.org.au/wp-content/uploads/2015/06/COSS_Competition_Review_submission_november_2014.pdf)>.

2 TasCOSS, *Tasmanian Community Services Industry Plan 2009-2012*, TasCOSS, Hobart, 2009, <<http://tascoss.org.au/Portals/0/Documents/Strengthening%20Our%20Sector/Sectorwide%20Planning/Tasmanian%20Community%20Sector%20Industry%20Plan%202009-2012.pdf>>; For information on the Queensland Community Services Jobs, Skills and Industry Strategy visit:

## Issues Confronting the Community Sector

Many commentators and sector leaders have expressed concerns about the impact of the changing relationship between the state, market and community sectors over the past 20-30 years.<sup>3</sup> A longstanding concern is that the community sector's ability to create distinctive value is eroded by government reforms that prioritise and promote economic efficiency through market mechanisms, competition, amalgamation, and consumer choice while neglecting the value of community connections, collaboration, specialisation, and citizen voice.<sup>4</sup>

The concerns raised by sector leaders and observers relate to:

- a lack of regard for the value created by the community sector, in particular the leveraging of voluntary participation and its connection to local community issues and needs;
- the consequences of government outsourcing, marketisation and competition;
- threats to the community sector's identity and independence where its role is reduced to the delivery of services to the neglect or active discouragement of advocacy;
- the blurring of the distinction between the community sector, government, and the for-profit sector within a market-driven, government-outsourced community services industry;
- the potential for not-for-profit service providers to be crowded or forced out in a competitive market, especially impacting on the viability of smaller, community-based organisations;
- onerous restrictions and demands placed on community organisations through contractual obligations of funders;
- the pressure to adopt more businesslike, professionalised, and bureaucratic structures and service delivery models; and

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<[www.communities.qld.gov.au/gateway/reform-and-renewal/social-services/community-services-jobs-skills-and-industry-strategy-2025](http://www.communities.qld.gov.au/gateway/reform-and-renewal/social-services/community-services-jobs-skills-and-industry-strategy-2025)>.

3 M Considine et al., 'Mission drift? The third sector and the pressure to be businesslike: evidence from Job Services Australia', *Third Sector Review* 20(1): 87-107, 2014; G Meagher & S Goodwin, 'Introduction: Capturing marketisation in Australian social policy', in *Markets, rights and power in Australian social policy*, eds G Meagher & S Goodwin, Sydney University Press, Sydney, 2015; T Nicholson, 'Speech on the Future of the Community Welfare Sector', Brotherhood of St Laurence, Melbourne, 27 May 2014; P Smyth, 'The lady vanishes: Australia's disappearing voluntary sector', presentation to a lunchtime seminar, Brotherhood of St Laurence, Melbourne, 14 August 2014.

4 See, for example, M Keenan, *Just another business? An examination of the marketisation of community services*, Brotherhood of St Laurence, Melbourne, July 1995, <[http://library.bsl.org.au/jspui/bitstream/1/4488/1/Keenan-M\\_Just-another-business\\_An-examination-of-the-marketisation-of-community-services\\_BSL\\_1995.pdf](http://library.bsl.org.au/jspui/bitstream/1/4488/1/Keenan-M_Just-another-business_An-examination-of-the-marketisation-of-community-services_BSL_1995.pdf)>.

- economic policy driving decisions about service provision and funding by prioritising value for money in a competitive environment without regard to the community sector purpose and practice or the expectations and values of people accessing services.

Amidst these concerns, it is also recognised that positive elements of reform have helped the sector become more professional, efficient, innovative and adaptable to external forces. Some community sector initiatives have generated income from non-government sources, increasing independence from government and strengthening civil society.

In a deliberately provocative article, ACTCOSS Treasurer and CEO of Northside Community Service Simon Rosenberg recently argued that it is wrong to assume that the community sector is faced with a stark, either/or choice between maintaining a 'values-based, community-oriented, social justice approach' or adopting a professional, business-like approach. He argued that the entry of for-profit competitors should drive community-based organisations to reaffirm, rather than abandon, their mission and values.<sup>5</sup> For Rosenberg, the community sector's 'common mission for social justice' and 'pivotal advocacy role' may be a competitive advantage in addressing community needs, government gaps, and market failures.

From this perspective, the development of the Community Services Industry Plan presents an opportunity and a challenge to envision an industry in which the distinctive mission, values and practices of the community sector are valued and sustained as competitive advantage.

## Sustaining Community Sector Value into the Future

A recent ACTCOSS and SACOSS report highlighted that the dual role of the community sector—as actors in civil society and as providers of government-funded services—lies at the centre of tensions in relation to competition policy and the procurement of community services.<sup>6</sup> The Australian Government Competition Policy Review recently concluded that 'deepening and extending competition policy in human services is a priority reform', while 'taking care not to crowd out community and volunteer services'.<sup>7</sup> A significant challenge confronting the community sector is how to sustain competitive advantage if market competition crowds out the non-market norms and values that underpin

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5 S Rosenberg, 'Community sector organisations should be run like businesses', *ACTCOSS Update*, Issue 70, Summer 2014-15, Continuity & change in the ACT community sector, 2014, pp.3-4.

6 A Bletsas, Independence in the not-for-profit sector, ACTCOSS & SACOSS, Canberra & Adelaide, June 2015, <[http://www.actcoss.org.au/publications/Publications\\_2015/1315pub-independence-in-the-nfp-sector.pdf](http://www.actcoss.org.au/publications/Publications_2015/1315pub-independence-in-the-nfp-sector.pdf)>

7 I Harper et al., *The Australian Government Competition Policy Review*, Final Report, Australian Government, Canberra, pp. 35-6, March 2015.

collaborative service delivery, social justice advocacy, and community development.

In response to this challenge there have been calls for community services reforms that harmonise social and economic policy, asserting the centrality of community development and citizen voice in policy making, program design, infrastructure investment, service model development, and outcomes measurement.<sup>8</sup> Alongside competition policy, the Australian and ACT governments have also made commitments to Open Government that values citizen participation and community collaboration in solving problems and improving community wellbeing.<sup>9</sup> The Social Compact and Human Services Blueprint reflect this commitment. As a relationship framework between the ACT Government and community sector, the Social Compact 'highlights the vital role played by the community sector and its longstanding and significant contribution to community life'.<sup>10</sup> The ACT Community Services Industry Plan presents an opportunity to ensure that this vital role and significant contribution is not crowded out by procurement practices driven by competition policy at the expense of good social policy and a strong civil society.

The community sector has a rich history in Australia and the ACT, evolving over time to address community needs, aspirations and expectations, and to overcome deprivation and injustice. Future evolution of the sector needs to build on what has been learned and achieved, embracing change that improves quality of services while sustaining contributions to community life and wellbeing.

## Initiatives from across the COSS Network

A range of initiatives across the network of Australian Councils of Social Service have sought to outline the distinctive value created by the sector and ways to sustain this value in view of key issues confronting the sector.<sup>11</sup>

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8 See, for example, P Philip & V Kishore, 'Rethinking contemporary social justice in government', *The Mandarin*, 4 August 2015, <[www.themandarin.com.au/46586-pradeep-philip-improving-wellbeing-frame-social-justice/](http://www.themandarin.com.au/46586-pradeep-philip-improving-wellbeing-frame-social-justice/)>.

9 See, for example, ACT Government's Open Government website: <[www.cmd.act.gov.au/open\\_government/what\\_is\\_open\\_government](http://www.cmd.act.gov.au/open_government/what_is_open_government)>.

10 ACT Government, *The Social Compact: A relationship framework between the ACT Government and community sector*, ACT Government, Canberra, p. 1, 2012, <[www.cmd.act.gov.au/\\_\\_data/assets/pdf\\_file/0008/521486/The-Social-Compact\\_web-version2.pdf](http://www.cmd.act.gov.au/__data/assets/pdf_file/0008/521486/The-Social-Compact_web-version2.pdf)>.

11 Forum of Non-Government Agencies, *The New South Wales Community Sector Charter*, FONGA & NCOSS, Sydney, 2011, <[www.ncoss.org.au/sites/default/files/NSW-Charter.pdf](http://www.ncoss.org.au/sites/default/files/NSW-Charter.pdf)>; Queensland Community Services Futures Forum, *Queensland Community Services Sector Charter*, Futures Forum, Brisbane, 2007, <[www.qcoss.org.au/sites/default/files/the-charter.pdf](http://www.qcoss.org.au/sites/default/files/the-charter.pdf)>; NCOSS, *A Fair Deal for our Community Services*, NCOSS, Sydney, 2015, <[www.ncoss.org.au/sites/default/files/public/campaign/A%20Fair%20Deal\\_%20Final.pdf](http://www.ncoss.org.au/sites/default/files/public/campaign/A%20Fair%20Deal_%20Final.pdf)>; TasCOSS, *Tasmanian Community Services Industry Plan 2009-2012*, TasCOSS, Hobart, 2009, <<http://tascoss.org.au/Portals/0/Documents/Strengthening%20Our%20Sector/Sectorwide%20Planning/>>

These initiatives include:

- NCOSS's *Fair Deal for our Community Services* campaign;
- The New South Wales Community Sector Charter;
- The Queensland Community Services Sector Charter;
- The Tasmanian Community Services Industry Plan 2009-2012; and
- VCOSS's *Strengthening the state* and *Building on the value of Victoria's community sector* papers.

A key focus of these initiatives has been to outline how government and the community sector can work together to build on the sector's value in order to help people overcome disadvantage and to build stronger communities. These initiatives highlight the potential for social and economic returns to be generated by the community sector through partnership with and investment from government and the for-profit sector.

Importantly, these initiatives outline ways in which community sector value can be sustained within a more effective community services industry. In doing so, they provide food for thought for community organisations as they plan for the future of the community services industry in the ACT.

## Project Update

KPMG has been engaged by the Community Services Directorate to develop the Community Services Industry Plan under the guidance of a Steering Group comprising community sector, consumer, government and union representatives. ACTCOSS is represented on the Steering Group and is working in collaboration with KPMG to support community sector engagement and maximise opportunities for ACT community organisations to engage in the development of the Industry Plan.

To launch the consultation process, KPMG has produced a scoping paper that provides valuable background information and consultation questions to assist the community sector to engage in the development of the Industry Plan.

Following release of the scoping paper, KPMG and ACTCOSS will be commencing consultations, undertaking focus groups and interviews with representatives from ACT community services organisations. KPMG will use the input from these consultation activities to develop a draft Industry Plan.

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Tasmanian%20Community%20Sector%20Industry%20Plan%202009-2012.pdf>; VCOSS, *Building on the value of Victoria's community sector*, VCOSS, Melbourne, 2015, <[http://vcoss.org.au/documents/2015/06/Building-on-the-value-of-Victorias-community-sector\\_ONLINE-VERSION.pdf](http://vcoss.org.au/documents/2015/06/Building-on-the-value-of-Victorias-community-sector_ONLINE-VERSION.pdf)>.

Further consultation activities will be conducted by KPMG and ACTCOSS following the release of the draft Industry Plan to inform the final Community Services Industry Plan for the ACT.

## Contact Details

ACTCOSS has a dedicated staff member who can help facilitate your involvement and input into the development of the Community Services Industry Plan.

If you would like further information about the Community Services Industry Plan or would like to contribute to the plan's development please contact:

Geoff Buchanan, ACTCOSS Policy and Research Officer

Ph: 02 6202 7222

E: [geoff.buchanan@actcoss.org.au](mailto:geoff.buchanan@actcoss.org.au)

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ACT Council of Social Service Inc. | Weston Community Hub, 1/6 Gritten St, Weston ACT 2611  
Ph: 02 6202 7200 | Fax: 02 6288 0070 | [actcoss@actcoss.org.au](mailto:actcoss@actcoss.org.au) | [www.actcoss.org.au](http://www.actcoss.org.au)

ACTCOSS is committed to reconciliation, acknowledges the traditional custodians of the land and pays respect to elders past and present.