



## Community Services Industry Plan Forum

May 2016

### Opening Remarks from Susan Helyar, Director of ACTCOSS

I would like to start with two acknowledgements.

I acknowledge that we are meetings on the land of the Ngunnawal people and pay my respect to elders past and present. Thank you to Tina Brown for your Welcome to Country that was both warm and educational.

I would also like to acknowledge Minister Berry for her stewardship of the Industry Plan and for hosting this coming together to further develop the Plan.

For too long community services have been treated as

- firstly an unavoidable but unfortunate drain on government resources and
- secondly as a mop for failures in mainstream systems (health, education, labour market, housing market)

This is not the view of people in this room, but is a view expressed more broadly.

As outsourcing became standard practice in community services there has been an expectation from funders that services provided by NGOs can and should be cheaper than services provided by Government or the private sector. This has kept remuneration at the bottom end of the labour market, despite the expertise and judgement required to fulfil roles in community services. It has led to an underinvestment in workforce development, career pathways and addressing gaps and shortages in the workforce. It has also reduced funds available for ICT, buildings and fleet, all of which are essential components of service delivery.

Fortunately, thrift and frugality have not reduced our commitment to connect and innovate. Our sector has continued to invest in community development, research and advocacy, all of which have influenced service innovation, legislative and regulatory reform and positive social change that reduces risk

and vulnerability in our community. Organisations continue to pay membership fees to peak bodies who pursue a collective social change agenda. Organisations support ongoing funding to carer and consumer advocates who hold their organisation and broader systems to account.

ACTCOSS believes that we need to be treated as a valued industry that provides services considered essential by both funders and the community we need a shared understanding of the contribution of community services to social cohesion and economic prosperity, what compromises these contributions and what infrastructure is needed to strengthen these contributions over the longer term.

ACTCOSS believes that an industry plan for community services is the best tool for building this shared understanding. It is important to create a plan that reflects our industry values and purpose. We do not exist to grow our market share and ensure the longevity of our organisations.

Our industry exists to:

- Amplify the voices of the people and communities we work with and for
- Address community needs well
- Create positive social change

These imperatives mean our industry plan has a dual objective:

- increasing community confidence that they have a voice, can influence the circumstances in which they live and can exercise choice and control over services they access
- to build sustainable, effective, strengths-based services that address needs well and support positive social change

I also believe that unless we can be seen as an industry we can't have the right conversations with funders, especially government funders, about investment beyond outsourced service contracts. This broader investment is too often seen as a favour to organisations bestowed out of good will and at risk of removal if funding is constrained. The NDIS readiness investment showed a willingness to make this investment but is noticeable because it is an exception.

The government does invest other industries. For example:

- A shopping Centre or commercial office building does not have to fund the road or public transport to get people to their door
- The hospitality industry doesn't pay for lighting on the street front or urban amenity to encourage customers, or police to ensure patrons are safe

- Private schools don't pay for the university education of teachers they employ
- The tourism industry doesn't pay for the CBR brand campaign, and in fact \$8.8b for industry development for tourism and events was announced by the Chief Minister this week

It's important to note that investment in community voice is part of a thriving democracy and is not just an adjunct to service provision.

ACTCOSS has received funding from CSD for one staff member for 12 months to support sector engagement in the industry plan. These funds have made a significant difference to our ability to engage directly with the industry planning process and to support sector engagement. These resources came from unspent funds from the 2012-15 levy. In fulfilling our obligations to the sector as the industry plan evolves ACTCOSS has focused on:

- understanding the research and other literature on civil society and community service provision as one part of the role of civil society organisations, and synthesizing this into briefings to inform sector and government stakeholders
- bringing the perspective of workers, management and governing bodies that is shared through ACTCOSS learning, development and peer networks into KPMG work and into Steering Group decision-making processes
- providing policy support to the NGO members of the steering group
- Being a critical friend to the development process – we have asked Is the Plan true to objectives set back in 2015? We have checked will contributors of the levy have majority control of decision making processes about spending the levy? And asked has the planning process generated the right data to inform what investment is needed to increase community confidence and industry capacity to be sustainable, effective and strengths based?

We have also sought to complement the KPMG work. We convened the Lost in Transition Summit that identified risks that needed better managing in a period of significant change, and protective factors that need to grow to future proof access, quality and sustainability of services through a period of structural adjustment.

Our review of the findings from this Summit elicited two key advocacy messages:

1. We need to refine our whole of government service reform governance structures to ensure the right people are involved in the right level of governance (strategic, tactical and operational)

2. We need to address the misalignment of procurement processes with our objectives for social infrastructure because current procurement processes are compromising access, quality, sustainability and innovation especially during wind down, transition and start-up.

Now that I have outlined our rationale for being part of an industry plan development process, and summarised our role, I would like to provide some comments on the draft plan:

The trends and challenges outlined in ACTCOSS research and briefing papers have been incorporated into the draft Plan. The intellectual capital of our sector is often undervalued and not acknowledged. So I would like now to publicly thank Geoff Buchanan our staff member and Peta Fitzgibbon our skilled volunteer for their research and analysis that has strengthened the draft Plan.

The Plan articulates a vision and values that align with our understanding of what is needed. There are a few points I would like to make about the framing of the current operating environment for community services:

- There is an implied message in the draft plan that reform has been led by government with community services following behind. In fact the more accurate picture is of people and communities (particularly communities of shared interest) leading innovation and at times funders have got on board. This has happened with with consumer centric health care, creation of the NDIS and using place based community building as a foundation for service design and integration
- The plan appears to say that it is both inevitable and necessary to reduce government investment in community services. I am not convinced, and I think the community reaction to the 2014-15 Federal Budget would indicate there is not widespread voter support for substantial funding cuts either. Nor am I convinced by the evidence so far that social impact investing or social enterprise models can or should replace baseline government funding of essential social infrastructure.
- We need a more sophisticated cost:benefit analysis of impacts of investing in community services and ACTCOSS will so work on this over the coming months.
- There is a lack of analysis of the drivers of growing vulnerability (such as inequality caused by labour market policy settings; social exclusion caused by sexism, racism, ableism, discrimination and stigma; market failure to provide affordable housing, credit, insurance) and growing demand (lack of focus on early intervention, lack of continuity and consistency across jurisdictions and through lifespan, opportunity costs of ineffective, inadequate and/or poorly timed interventions)

The table that illustrates the scope of the community services sector is very useful. However, I would like to note that ACTCOSS is not an industry body - our Constitution states the role of ACTCOSS is:

(a) to function as a peak body for the community sector;

(b) to make explicit and pursue a social justice agenda for the people of the ACT;

(c) to participate as part of the state-national COSS network; and

(d) to assist and support organisations to build their capacity so that they can provide a service that best meets the needs of disadvantaged people living in the ACT

This differentiates ACTCOSS and other community sector peak bodies from industry bodies which are defined as Entities intended to promote the business and professional interests of their members.

I will share more detailed suggestions from ACTCOSS regarding the content of the Plan in our table discussions, but I do want to flag some issues that need to be considered:

#### Efficiency

- There is a lack of funds available to ensure fair remuneration for the workforce (80-90% earn under \$80,000, and the largest number of people earn significantly less than that)
- There is a lack of capital investment and no mechanism to plan for industry wide capital investment (eg in renewal of ICT, fit for purpose buildings or affordable fleet)
- Funding cycles bear no resemblance to intervention and outcome timelines (eg consumer advocacy services get 1-3 year contracts for work that is recognized as critical to ongoing system design and integrity, in stark contrast with ACT Health being prepared to provide a 25 year contract to a firm to run building services for the subacute hospital). Short term funding arrangements create inefficiencies like dealing with disruptive procurement processes, during wind down and start up phases and avoidable costs in workforce recruitment and retention
- Given these challenges, I need to understand what the narrative about improved efficiency is based on - we already pay low wages, have one of the smallest gaps in the economy between the lowest paid and highest paid staff in an entity, make extensive use of volunteers, rent the cheapest building stock and have sub-optimal investment in ICT - what further cost efficiencies are envisioned?

## Outcomes

- Community services have taken on significant risks and absorbed costs in moving to an impact/outcomes approach to service development, delivery, design and evaluation
- Focusing on outcomes attainment and monitoring is difficult not because of a lack of will, but a lack of technical capability, inability to credibly attribute outcomes to inputs, risks of perverse incentives in outcomes based contracting (such as was seen in the VET sector and employment services), lack of resources to collect, analyse and use data to evolve service models, and misalignment of funding administration to an outcomes based approach.

I also have some brief comments on the next steps:

ACTCOSS does not believe the community sector needs an industry body. Rather we should use existing structures, and enhance these if needed, to oversee implementation of an industry plan. The key determinants of which structure to use should be that the majority of the members are from organisations that contribute the levy and the perspectives of consumers, carers and the workforce is equally represented.

The Plan refers to a survey that will be conducted by the Social Policy Research Centre at the University of New South Wales. The ACTCOSS Committee has agreed to self fund a more detailed survey, which we will be asking organisations to complete. This survey will build on existing data sets and capture further information that we hope will strengthen the Plan and inform decisions by community organisations about investment priorities.

And finally, it is important to note, as Minister Berry did, that the Industry Plan is being developed using funds levied on the sector.

In December 2014 the Community Government Partnership Improvement Group (the group that provided advice and feedback to the ACT Government on spending the 0.34% levy imposed from 2012-2015) identified a need for a strategic plan for community services.

In June 2015 the ACT Budget included a measure to continue the 0.34% sector development levy on community services funded by ACT Government.

Whilst the sector did not support imposition of the levy, ACTCOSS did gain agreement after the June budget announcement that the levy should be used to fund development of an Industry Plan for community services and that decisions about spending the levy would be determined by representatives of contributing organisations.

It is crucial that your views, priorities and concerns are captured in the plan, and to ensure the investment fund created by the levy is spent wisely. We need to know what infrastructure you believe is critical to the dual aims of increasing

community confidence and ensuring the industry is sustainable, effective and strengths-based.

For example, what do you and the wider system need to:

- Better support civil society and citizen engagement to hold the service system and legislators to account
- Design, implement, evaluate and evolve services, led by lived experience
- Ensure both entry level work opportunities and career progression
- Retain volunteer governing bodies that focus on accountability to social purpose
- Sustain and grow community development capability
- Address gaps and shortages in workforce supply, and get the right training, qualifications and ongoing skills development
- Gain reliable sources of operational revenue and capital investment
- Collect and use data to improve outcomes
- Access high quality, fit for purpose ICT, buildings and fleet
- Understand current demand, how that is changing and what that means for your organisation and broader sector readiness

My final request to participants today is to ensure, that from your perspective:

- the plan includes a vision, values and priorities that you can support
- the decision making structure and priorities for spending the levy are credible
- we have appropriate ways of measuring the of impact of the investments made with the levy
- we have the right mechanisms to scrutinise over the longer term whether and how community sector development and community services reform align with the vision, values and outcomes outlined in the plan

Thank you.