Submission from the Community and Place network (CaPn) in response to the DSS Issues Paper:

A stronger, more diverse and independent community sector

November 2023

Introduction:

We appreciate the opportunity to comment on the Issues Paper. Its release comes at a critical time in the relationship between the Australian Government and the community sector. The attention that the Issues Paper affords to funding, service and capacity challenges is welcome. We also note the important acknowledgement of cumulative pressures that have built up in recent years, particularly those arising from the COVID-19 pandemic.

The relationship between government and non-government sectors is more than contracting for services. It might be described as a barometer for the health of our social contract.

The community sector, at its best, provides a bridge between the development and review of policy and local needs and impact. Community organisations often rely on resources from governments to undertake their work but their reason for existence, or social license, is drawn from the communities they serve. A strong, diverse and independent community sector must be able to engage honestly with government about community need, without fearing adverse consequence. That has not always been a given, as recent history shows.

Recognising the importance of the matters raised in the Issues Paper to our individual and collective operations, we offer this submission on behalf of the Community and Place-based network – or CaPn.

About CaPn:

CaPn comprises seven independent, community-based, not-for-profit service providers:

- Brophy Family and Youth Services

- Child and Family Services (Ballarat)

- FamilyCare (Goulburn Valley Family Care Inc)

- Family Life

- Kids First

- Mallee Family Care

- Upper Murray Family Care

Our activities cover a broad range of service delivery and community engagement, primarily in Victoria. Whilst there are variations across the network, services for children and families are core to our operations. As individual agencies, government funding bodies might consider us to be small-to-medium-sized. Collectively, our budgets add to over $180 million, we employ over 1600 staff, engage over 1200 volunteers, and in the last year we assisted in excess of 75,000 service users.

Much more important than the numbers are our connections to, in and with the communities we serve. As already noted, we share a belief that our licence to operate comes from community.

A summary of the CaPn purpose is attached to this submission.

Specific comments on three of the focus areas identified in the Issues Paper:

We are aware of the significant level of interest in the Issues Paper, across the community sector and the likely volume of submissions.

Rather than try to cover all of the matters raised, we have chosen to concentrate on three of the identified focus areas, that are most relevant to the CaPn.

- **Giving the sector the voice and respect, it deserves through a meaningful working partnership.**

To understand the ingredients required for a meaningful working partnership between government and the community sector, an awareness of recent history is useful. Building an effective partnership is important. Sustaining it has proven difficult.

The nature of the relationship between the Commonwealth Government and the community-based, not-for-profit sector, has resembled a roller-coaster over the last 30 years. The Howard Government's election in March 1996 resulted in significant deterioration. A variety of organisations, particularly peak bodies, lost funding, relevance, or both in the years that followed. Many groups that retained government funding, were required to engage and behave differently – most notably through discouraging and in some instances, prohibiting advocacy.[1]

Reestablishing effective and respectful interactions with community groups was an election promise of the Labor opposition, led by Kevin Rudd in the 2007 campaign. On the 17th of March 2010, then Prime Minister Rudd, along with Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin and Parliamentary Secretary for the Voluntary Sector, Ursula Stephens, launched the National Compact with the Third Sector. The media release to mark the announcement of the Compact drew from Labor's election commitment, to reestablish the relationship with the not-for-profit community sector that suffered under the previous Government.[2]

A month before the launch of the National Compact, a Productivity Commission Report confirmed how socially and economically important the not-for-profit sector was. At that time, the sector numbered around 600,000 organisations. Of those, 59,000 not-for-profits were considered economically significant, contributing some $43 billion to Australia's GDP. There were 4.6 million volunteers, with an equivalent annual wage value of $15 billion.[3]

The Compact did not resolve all of the challenges in the relationship between Government and the community sector. It did however support respectful, rather than combative communications.

The election of the Abbott Government in September 2013 put the relationship on a different course. Having set the scene for the significance of the community sector several years before, the Productivity Commission was again central to reframing the engagement. The Commission's focus was also different to that which it had applied in 2010. The title of the October 2017 Report is illustrative of the approach, 'Introducing Competition and Informed User Choice into Human Services'.[4]

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[1] See for example, the discussion in: Retrenching or renovating the Australian welfare state: the paradox of the Howard government's neo-liberalism - Mendes - 2009 - International Journal of Social Welfare - Wiley Online Library
[2] Australian Government and Not-for-Profit sector sign up to National Compact | Former Ministers and Parliamentary Secretaries (dss.gov.au)
[3] Productivity Commission 2010, *Contribution of the Not-for-Profit Sector,* Research Report, Canberra, page xxvi
[4] Productivity Commission 2017, *Introducing Informed User Choice into Human Services: Reforms to Human Services,* Report No. 85, Canberra.

This change of focus was emphasised in a speech delivered by Productivity Commissioner Stephen King in November 2019. Likening human services, often delivered by not-for-profit community organisations, to the high-cost and 'sclerotic' government monopolies criticised by the Hilmer report on National Competition Policy in the early 1990s, Commissioner King called for major reform.[5]

Amongst the reforms the Productivity Commission invited governments at all levels to consider, was seeing past the distinction between for-profit and not-for-profit service provision. The Commission's argument was essentially that mission and values should be less relevant than capacity and efficiency. There was a specific recommendation for national, state and territory governments to 'improve processes used to tender family and community services' by not discriminating on the basis of organisational type.[6]

The relative benefits and costs of encouraging increased competition and ambivalence to purpose, are yet to be properly evaluated and understood. A number of recent inquiries have however suggested there are grave risks in exposing vulnerable people to services designed, delivered and reviewed with profit as the main, or a significant motivating factor.[7]

Impacts on the community sector are similarly opaque but our shared view is that the additional burst of competitive tension amongst sector agencies, particularly service providers, has been at best unhelpful and in some instances corrosive. Encouraging community activity that looks and feels more like commerce, undermines a sense of shared purpose.

One possible expression of how these changes have played out, might be seen through the reduction in levels of volunteering in Australia. In 2010, when the Productivity Commission released its Contribution of the Not-for-profit Sector report, 36.2 per cent of the population volunteered through an organisation. In the most recent data reported by the Australian Institute of Health and Welfare to 2020, that proportion had fallen to 24.8 per cent.[8] There will undoubtedly have been COVID impacts on the extent of volunteering, but the downward trend predates the pandemic. Moves to marketise what community used to feel connected to and engaged with, is likely to have also contributed to the decline.

Constant and often dramatic shifts in how government relates to the community sector have real implications for how organisations like ours operate and how we are perceived by the communities we serve. For example:

- Discouraging or prohibiting advocacy, makes it harder to tell the stories about what our clients and communities need, reducing trust in government and community services alike.

- Increasing competitive tensions reduces opportunities to collaborate with colleagues, share ideas and come up with innovative solutions.

- Encouraging community services to mimic business makes it less likely people will want to give their time and energy in support, through volunteering, including in governance roles.

As well as increasing competitive tensions, community services are also confronting more and more complicated layers of regulation and compliance obligations. There are

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[5] Human Services: The next wave of productivity reform - Speech - Productivity Commission (pc.gov.au)

[6] Ibid Productivity Commission 2017, Report No 85, Recommendation 8.2, page 46.

[7] Differences in the quality of care provided where profit was a significant consideration in service design were explored in the course of the Royal Commission into Aged Care Quality and Safety (see for example Volume 2, The Current System, Final Report: Care, Dignity and Respect Aged Care Royal Commission Final Report: Care, Dignity and Respect Volume 2

[8] Sourced from a web-article released by the Australian Institute of Health and Welfare on 7 September 2023. The article is available here: Volunteers - Australian Institute of Health and Welfare (aihw.gov.au)

compelling reasons why service providers who routinely interact with the most vulnerable or disadvantaged members of our community should be expected to meet appropriate quality standards and submit to ongoing scrutiny. Across the various levels of government however, even between departments of the same government, there can be multiple regulatory requirements focusing on the same subject matter.

For example, all of the CaPn members provide services to children. Both the State of Victoria and the Commonwealth, require organisations that have contact with, or deliver services to children, meet standards designed to ensure child safety and wellbeing.

The separate sets of child safety standards deal with essentially the same subject matter, in slightly different ways, with discrete supervision and reporting requirements. Neither system provides recognition of the other, which for several of us, results in compliance monitoring that is repetitive and duplicative. Resources that could be focused on the delivery of supports to children, are instead diverted to evidencing safety and quality to separate audiences, that appear to want the same outcome.

Streamlining the burgeoning list of service standards that apply across the levels of government is critical. We also urge a shift in focus from input/output assessment to quality of process and end of program outcomes. Organisations with effective links and genuine commitment to place can facilitate discussions in community, most importantly with those who need and access services.

- **Ensure grant funding flows to a greater diversity of CSOs.**

At the same time as community sector organisations have been responding to increased competition, service platforms and funding contracts have undergone significant rationalisation. Governments, at all levels, have expressed a preference to reduce the number of organisations they deal with.

Concepts like user choice and optimizing markets, will only work if markets exist. That is not always the case in smaller, regional, rural or remote communities. Similarly, applying the same rules to funding regardless of location, ignores the fact that actually delivering services to people in non-metropolitan areas, is inherently more expensive.

There are obvious efficiencies for government in managing a reduced number of funding relationships. The approach can however be counter-productive to effective community engagement, limiting the range of voices and perspectives represented.

Amongst the range of views that must be considered and are too often ignored, or unhelpfully aggregated, are the voices of Aboriginal and Torres Strait Islander Peoples. This challenge has been exacerbated by the defeat of the referendum, to recognise First Nations people in the Australian Constitution and ensure there would be an Aboriginal Voice to Parliament and Executive Government.

Each of the CaPn members has relationships with local Aboriginal Controlled Organisations, relevant to our areas of service delivery. We do not presume to speak on behalf of those organisations but strongly support their right to be heard and, if they choose, be included.

There are models of devolved decision making, where government can have the best of both worlds – limiting the number of formal contractual relationships, whilst encouraging the development of broad, effective local networks. The Communities for Children framework is one such example.

- **Partnering with trusted community organisations with strong local links.**

For organisations that have a focus on and commitment to our communities, renewed interest in the importance of place-based service provision has been welcome. The 2023-2024 Report of the Government's Interim Economic Inclusion Advisory Committee, emphasised the significance of place in understanding disadvantage and designing and

delivering effective solutions.[9] Place also features throughout Measuring What Matters, Australia's First Wellbeing Framework.[10]

Recognising and ascribing value to place in the development of policy and design of supports, is extremely positive. There is however considerable difference between identifying place-based issues and engaging people in places about their concerns and how they might be addressed. We believe there is an urgent need for more clarity about what connection to place means. We also recommend greater flexibility and nuance in how engagement and co-design work in practice to ensure vulnerability, especially that related to location, is not exacerbated.

It will be clear from the attachment describing CaPn and the comments in this submission, that connection to community is an absolute priority in our work. Creating and maintain connection takes consistent commitment and effort.

Changes in government policy and priorities, often focus on local action. There are frequently requirements to collaborate, with partnership or consortia arrangements included in key selection criteria or in tender funding specifications. Those processes, in our experience, rarely explore the depth and strength of relationships. Nor is appropriate devolution of local decision making, or even the capacity for variation to suit local need and practical logistics, a consistent feature.

Another impact of increased competition has been reflected in the diminution of services provided by genuinely place-based organisations. One example is the recent Transition to Work Tendering process where most place-based youth-specific service services lost their contracts to large organisations with generic service provision experience. In many instances successful tenderers were not connected to the geographic area in which they were awarded contracts.

Removal of resourcing from place-based youth organisations, particularly those with a youth employment focus, has resulted in communities, especially in regional areas, losing social and economic capital in staff, knowledge, and networks. Over time outcomes of this type reduce the capacity of communities to find their solutions, even to retain viability.

The future direction of the relationship between the community sector and government should appropriately prioritise the roles of organisations working in, for and with community. A more rounded understanding of place-based includes working in partnership, facilitating and activating in community, across a range of key issues especially focusing on reducing poverty, homelessness, domestic violence and mental ill health. There is an incredible opportunity for government to invest in communities, adopting the philosophy of Advantaged Thinking[11], to strengthen capability, capacity and ultimately sustainability.

Community action does not always wait for central governments to form a view on important local issues. That is entirely appropriate and can be a measure of community wellbeing, as well as resilience in times of change or crisis.

To follow are a few examples of what community capacity in action looks like, across the CaPn membership.

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[9] *Interim Economic Inclusion Advisory Committee 2023-24 Report to Government,* see in particular chapter 3, page 56 to 61.

[10] Measuring What Matters (treasury.gov.au)

[11] Advantaged Thinking was developed by the UK based Colin Falconer. Further information is available through the Foyer Foundation here: Advantaged Thinking in a time of crisis – The Foyer Foundation

Helping a new community to grow

Kids First and FamilyCare are part of a collaboration called Hub 3756, based in the township of Wallan, 45 kilometers north of Melbourne. Once a quiet, semi-rural town, Wallan and the neighboring community of Beveridge are undergoing an explosive period of growth. The current population of around 25,000, is projected to grow to 125,000 by 2040.

Change of that scale is not without significant challenges, including for the design and delivery of human services. Normal resourcing of child and family services is determined once a population is in place, based on evidenced need for service. In periods of rapid growth, that approach can lead to existing services being overwhelmed. Similarly, the demographic profile of the community can change significantly when population surges. Community sector providers need to understand and move with those changes for services to be effective, or even remain relevant.

With support from the Victorian Government and the direct involvement of Mitchell Council, Hub 3756 is a small but vital Early Help model that will allow the partners to understand and plan effectively for the changes underway. Kids First has commissioned the Centre for Community Child Health at the Murdoch Children's Research Institute to evaluate the approach, so it can be improved and potentially put to work in other places.

Beyond the Bell Initiative (BtB)

BtB is a collaborative impact initiative, that seeks to address school retention and completion challenges in Southwest Victoria. Around 60 per cent of young people in the region complete year 12 (or equivalent) compared to 70 per cent in metropolitan areas.

To address the issue, the community developed a cross-sector partnership involving numerous agencies, schools, tertiary education providers, community members and leaders. The group embraced the vision that all young people should be connected to education and engaged in their learning throughout their schooling years. The theory of change was based on the assumption that the stronger the connectivity for students, the more sustainable and meaningful their learning will be.

Since the inception of BtB in 2017, improvements have been achieved through systemic work in the transition touch points for families, enhancing service connections during early years, engaging the student voice through leadership development, and strengthening the linkages during vocational transition.

More than eight major pilot projects have been implemented with three being scaled up for delivery across the five Southwest Victorian shires, including Stepping Stones Kinder to School, Youth Conversations, and Youth Mental Health First Aid Projects.

Government grants have contributed over $2 million during the past six years and this has been matched by more than $3 million of revenue from community and philanthropic funding. More information can be found on the BtB website: Beyond The Bell – Supporting our young people (btb.org.au)

> **Together We Can**
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> From 2015 to 2018, Family Life provided a backbone function for the Together We Can Family Violence prevention project in Cardinia Shire. The project brought together different tiers of government, community service providers, Victoria Police, local business and community members, to shape up a multi-year local plan of action. Through a series of deep community engagement processes, the group mobilised and connected all partners to deliver a "Plan of action", with commitments to mutually aligned activities or "Community Solutions".
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> The project has transitioned to management by the Cardinia Shire and is still running successfully today. Evaluated by Melbourne University, Together We Can is demonstrating promising results, aligning local work, strengthening the service system and changing community attitudes. It has been recognised with a gold award at the National Local Government Innovation awards and won the Prevention And Community Safety category of the Australian Government's National Awards for Local Government.
>
> Together We Can has demonstrated how communities can collaborate to tackle even some of the most complex, entrenched challenges that they face.
> Preventing family violence - Cardinia Shire Council

Opportunities to deliver sustainable improvement:

The release of the Issues Paper and invitation to have this conversation are welcome and timely. Reflecting on the history of the relationship between the community sector and government is a reminder that sustaining improvement is not easy.

We believe there are opportunities to enhance structures that help government understand the importance of the community sector to Australia's social and economic wellbeing. One such opportunity is the continued development of the National Centre for Place-Based Collaboration, known as the Nexus Centre. We are looking forward to being involved in the work of the Nexus Centre as its engagement strategy takes shape. A copy of this submission and information about CaPn have been provided to one of the Foundation Partners Collaboration for Impact.

Another opportunity for structural enhancement is the potential to improve the Productivity Commission's understanding of, respect for and engagement with the not-for-profit community sector. The Productivity Commission plays a critical role in advising government on ways to improve Australia's economic performance. On its website, under the heading 'How we contribute', the following appears:

> *The Productivity Commission is an advisory body. It does not administer government programs or exercise executive power. It contributes by providing quality, independent advice and information to governments, and on the communication of ideas and analysis.*
>
> *The Commission is an agency of the Australian Government, located within the Treasury portfolio. However its activities cover all levels of government and encompass all sectors of the economy, as well as social and environmental issues.*
>
> *The core function of the Commission is to conduct public inquiries at the request of the Australian Government on key policy or regulatory issues bearing on Australia's economic performance and community wellbeing.[12]*

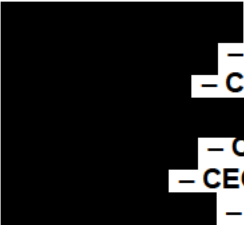[12] How we contribute - Productivity Commission (pc.gov.au)

Two contrasting Productivity Commission reports from 2010 and 2017 are referred to earlier in this submission. The first, entitled 'The Contribution of the Not-for-profit Sector' helped create the impetus for a National Compact, intended to guide the relationship between government and community sector. The second, only a few years later but in a very different political environment, became the basis for fundamental questions about whether the not-for-profit sector offered anything unique or valuable in comparison to human services delivered by for-profit businesses.

The Terms of Reference for the two quoted inquiries, provided very different focus for the Productivity Commission, reflecting governments with very different priorities. Even so, how can the Productivity Commission's independent role be supported, so as to mitigate such wide variation in outcome? Part of the answer may relate to a lack of clarity in the Productivity Commission Act. The Act requires that at least one Commissioner 'must have extensive skills and experience in dealing with the social effects of economic adjustment and social welfare service delivery'.[13] Just why that skillset is valuable is less well defined. Neither the functions of the Commission[14], nor the General Policy Guidelines[15] provide much context as to why good community functioning, cohesion and social wellbeing are important.

We think amendment to the Productivity Commission Act to clarify that social and community wellbeing is inherently valuable, as well as economically important, would help the Commission in its important work. Previously these concepts have been recognised and referred to as social capital. We believe change of this type would help deliver greater stability and consistency in the relationship between government and the community sector.

Conclusion:

We are looking forward to the next stage of this conversation. Our organisations and the communities we serve have a significant stake in ensuring a stronger, more diverse and independent community sector becomes a reality and not just an aspiration.

– CEO, Brophy Family and Youth Services
– CEO, Cafs (Child and Family Services Inc)
– CEO, FamilyCare
– CEO, Family Life
– CEO, Kids First Australia
– CEO, Mallee Family Care
– CEO, Upper Murray Family Care

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[13] *Productivity Commission Act 1988* (Cwth), section 24(4)
[14] Ibid, section 6
[15] Ibid, section 8

We are the

COMMUNITY & PLACE
NETWORK
(CaPn)

WHO WE ARE

Community and Place network (CaPn) is a collective of seven CEO's of Victorian Child, Youth and Family service providers that are place-based, locally networked and highly community invested.

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Together, we amplify

Combined Annual Budget
$184.2 million

Clients supported
77,000 annually

Employees
1632

Volunteers
1284

Years of community service
Over 157 years

Total programs delivered
286

We are
PROUD TO BE

· Independent, and not owing allegiance to larger (faith based or corporate) non-specialist entities;

· Catalysts adept at translating both niche and universal community need to workable service systems;

· Evidence informed using lived experience and models , so our work is highly contextual and localised;

· Community-led, meaning decisions are made in a spirit of subsidiarity, where local listening, facilitation and accountability are the norm.

Our
WHY

In the interests of creating successes for our communities, together we develop social solutions enabled by safe, effective systems, because we offer:

- Workable insights (translatable into policy), especially on complex issues that demand holistic responses, across sectors and systems;

- Defensibility of resource allocation by governments and funders, ensuring value for money and highest impact;

- Wide access to legitimate voices, ensuring design of services can address needs of those most vulnerable, and at risk;

- Solutions supported by communities, ensuring greater likelihood of success.

Where
WE FOCUS

Together we work on shared advocacy, joint resourcing, evidence creation and scaled delivery models to develop social solutions.

Our current focus of effort is on the core issue of Early Help, utilising our unique capabilities:

- Proximity to 'on the ground issues'

- Detection of at-risk and prospective high-risk families, particularly those who are not yet within the Child Protection system.

- Agility of designing and delivering supports & interventions

- Capacity to activate community mechanisms to create environments conducive to child safety and healthy development.

We want to
SUPPORT YOU

We would like to collaboratively work with Government as agents of change to support :

- Continued investment in Early Help funding and evaluation.

- Champion at a local level the identification of systems barriers and influence system change.

- Other areas that are identified by the Government to develop, test and trial early support to families to reduce the need for statutory intervention.