



Centre for Excellence
in Child and Family Welfare Inc.

Centre for Excellence in Child and Family Welfare

**Response to Productivity Commission Draft Report:
Contribution of the Not-for-Profit Sector**

December 2009

Productivity Commission Draft Report: Contribution of the Not-for-Profit Sector:

Response from the Centre for Excellence in Child and Family Welfare, Victoria

Introduction

The Centre for Excellence in Child and Family Welfare is the peak body for 93 community service organisations in Victoria, who deliver child, youth and family services across the whole of metropolitan, regional and rural Victoria. They range in size from 2 to 600 staff and \$50k to \$40m budgets, and are both secular and faith based. The Centre was founded in 1912 as the Children's Welfare Association of Victoria.

The Centre has four key areas of focus:

- Member liaison, support and advocacy
- Policy, research, advice and advocacy
- Strategic sector-wide projects
- Learning and Development services

Comments in relation to the Productivity Commission Report

The community services sector is facing considerable challenges both now and into the future. These include:

- Workforce sustainability – difficulties in recruiting and retaining skilled staff, and also attracting, supporting and retaining skilled and experienced leaders.
- Contractual arrangements with the various levels of government, and the associated impost of reporting requirements and meeting accreditation standards under a multitude of regulatory frameworks.
- Securing sustainable and diverse funding for services; incl. considerations around the viability of smaller CSOs
- Ongoing impact of the GFC on our client groups, whose needs were already becoming more complex (family breakdown, poverty, mental illness, drug and alcohol issues, family violence, homelessness)
- COAG initiatives, incl. National Framework for Protecting Australia's Children.

It is pleasing to note that the Productivity Commission has sought to identify and address some of the issues noted above, and others, and through its recommendations is seeking to support a strong community sector into the future. Work commenced two years ago in Victoria on this very issue, via the Community Sector Futures Task Group. This group was headed up by VCOSS with active participation by the Centre for Excellence, many of its members, and others within the broader community services sector. As part of the work completed by the group, a number of aspirational outcomes were identified for a future community services sector:

- a more organisationally efficient and effective community sector and a safer and more attractive place to work;
- a collaborative community sector that brings its strengths to an increasing number of effective partnerships with government and business; and
- a more strategic community sector with increased capacity for effective advocacy for social change.

A number of comments and responses contained in the Productivity Commission's report echo these aspirations.

The Centre believes that Victoria leads the way in Community Sector service delivery across a range of indicators. There is a great deal that is very positive about the sector: there is a great deal of knowledge

and practical experience that can be used as the basis for developing Sector-wide best practice. With this in mind, the following comments are offered in relation to selected Recommendations in the Report.

It should be noted that the part of the sector that we represent is defined as “social services” by the Productivity Commission. However, even this narrowing of definition still represents a huge diversity within “social services”. Our community services organisations are made up of small, medium and large agencies; located in metropolitan Melbourne, urban fringe areas, rural towns large and small, and remote areas; providing a wide array of services across the family services spectrum, out-of-home-care, and also within more specifically defined areas, such as youth services, D&A, FV, mental health etc.; maintaining several focuses, both around direct client service delivery, as well as advocacy and sector development.

Comments regarding the recommendations

1. Building knowledge systems: promoting national data systems on the NFP sector; building a better evidence base for social policy; promoting dissemination of evidence of effectiveness of social programs

The Centre agrees that collection of data on the economic contribution of the sector is important. We must be clear about its purpose, however, and ensure that a “standardised” system does not impose unnecessary bureaucracy on already over-stretched organisations. It is important to also identify the various audiences here: is it government - so our funding is more secure; is it business, private sector and philanthropy - so partnerships and funding arrangements can be forged that strengthen the work of the community sector as well as providing strategic linkages.

We also need to consider how to engage the community at large (via the media) in the work done by the community sector. The media are an important and influential group which significantly impacts on how the social services sector is perceived and valued by others. Media perceptions and relationships are important in relation to fostering community sector sustainability. While the media are overall supportive of the work of “charities”, if a failure is spotted, the media will be very quick to draw public attention to this. The sector, by its very nature, works with those who are in the most vulnerable situations, and their stories run the risk of becoming a source of sensationalist, dramatic stories designed only to shock people and not to encourage positive action.

The suggested Centre for Community Service Effectiveness may well be a useful avenue through which to collate the massive amount of evaluative data on programs, approaches, innovations etc that already exist within services, government and tertiary education institutions. However, there must be caution in not duplicating the effective and world-class clearing houses that already exist which are widely used within the Social Services group of Community Services organisations.

We agree that disseminating evidence to enable best practice is a challenge. However, there should be acknowledgement that considerable evaluation already happens and is shared: we have significant research, significant development of indicators etc. What we don’t have is an agreed definition of “wellbeing”; a robust way of acting upon what children and young people tell us. These remain challenges for the social services sector and beyond. But if we can find effective ways to more broadly disseminate information, research, evaluation results etc, then more robust, strategic and outcomes-focussed discussions can occur around Australia that should lead to better services for the most vulnerable.

We should also consider the differences embedded in the practices around evaluation and the practices around research. There is not a need to require all services to engage in lengthy evaluative strategies that risk inhibiting their ability to build community responses.

The Centre strongly agrees with the comment on needing to have “less burdensome reporting requirements on NFPs”. “Report once, use often” is an approach that the Centre and its 93 member organisations support wholeheartedly.

2. Sector Development: Building sector capabilities in evaluation and governance

While it is true that many community sector organisations struggle with governance issues and the ability to improve organisational effectiveness and efficiency – this is also true of many in the private sector. Conversely, it is *not* true of many other community organisations under the social services umbrella who have attained a level of sophistication in respect of governance and organisational effectiveness. The sector tends not to be very good at trumpeting these achievements and finding innovative ways of disseminating information about such strengths.

As an example, the Centre for Excellence has just released a “Demonstrating Effective Practice Toolkit”, developed by the Centre’s Knowledge Broker. Within the overall parameters of demonstrating the effectiveness of programs in the child and family welfare sector, it covers the areas of:

- Developing a program logic
- Identifying program outcomes or indicators
- Profiling a program or practice
- Conducting an in-house evaluation

The introductory comments contained in the Toolkit note that the context in which child and family welfare programs are delivered is complex. Programs in the child and family welfare sector require the active engagement and cooperation of clients who participate in the program in order for them to be effective. It is often the relationship between participants and staff, and the degree to which participants are willing to engage with a program, that influence the degree to which the program is effective. In order to determine how and why an intervention works for a specific client group it is necessary to understand the processes of engagement and interaction, as well as the context in which the program is delivered, in order to discern how and why the program is effective.

This kind of resource material is valuable in providing useful assistance for those organisations who may be struggling to improve on evaluation processes and methodologies. What the sector needs is the ability to share such work as broadly as possible, and enable discussion and critique of the recommended strategies. Thus the suggested Centre for Community service Effectiveness may provide a suitable avenue for such sharing.

3. Sector Development: Building sector capabilities through support for paid workforce development

Many resources have been spent on identifying and commenting on how the community sector struggles with recruiting and retaining skilled staff. The social services group has particularly difficult challenges in terms of attracting and keeping sufficiently skilled and paid staff. The Centre believes the Productivity Commission recommendations do not place sufficient emphasis on retention and support issues. The sector must present itself as an employer of choice, but this entails not just getting people in, but supporting, training, mentoring, and remunerating adequately.

As an example, in the Centre’s campaign for a better supported Family Services system in Victoria, we note that there are significant stressors impacting on the Family Services workforce. They include difficulties of demand management while maintaining a quality service; increasing complexity of clients’ issues; the inability to intervene early enough with many families; and – more recently, but increasingly – the advent of new client groups such as unemployed and those recovering from bushfires. These stressors are resulting in what some members of the Centre have described as a “haemorrhaging of family services staff” from the system. Staff are now consistently saying “this is not the job of helping families that we came to do - this is Child Protection work” and some are leaving the system for better paid and more rewarding positions.

Such conditions leave services vulnerable due to a constant round of costly recruitments coupled with having to recruit increasingly inexperienced staff who in turn are unable to be well supported and

mentored due to increasing pressures on higher level more experienced staff; staffing gaps sometimes last up to two years.

Funding structures, the vestiges of competitive tendering, and a lack of commitment by government (and the philanthropic sector) to adequately recognise the true cost of supervision and support has reduced the capacity of organisations to adequately “care” for the staff who provide the “caring”. An increasing emphasis on compliance and “forensic” documentation further reduce the focus of those professionals who enter the social services sector in order to make a difference to children and families.

Work is being commenced in Victoria, with a joint DHS/sector recruitment strategy to attract more staff into both Departmental positions, as well as Community Sector Organisations. Also some work in related areas is being carried forward via the Office for the Community Sector (OCS), who have run a series of forums to discuss NFP community organisation workforce issues.

4. Improving the effectiveness of direct government funding: Providing clarity over funding obligations.

It is becoming increasingly apparent that Government values (and therefore funds) organisations on the basis of economies of scale achieved by larger organisations which are able to streamline services; evidence of a professional culture with strong governance and accountability measures; programs and solution offered on the basis of sound research.

But what many in the sector see in relation to their funding relationships with government runs along these themes:

In relation to accountability, “quantity versus quality”: the emphasis with government reporting and monitoring processes is on quantity of service delivery (such as numbers of clients assisted), with less emphasis on the quality of outcomes for clients. This often means that the deeper value offered by the social services sector is not revealed by the mandated accountability structures. There is also an increasing shift towards emergency/crisis responses and away from early intervention.

On the theme of crisis intervention vs early intervention/prevention – there is a strong perception that government tends to see social needs in programmatic terms (e.g. in terms of the suite of available community services such as homelessness, child protection, mental health, drug and alcohol, disability) rather than in terms of integrated individuals. The question tends to be “how can this person be assisted by the available programs?” rather than “what are the particular needs of this person?”

With the advent of the Children, Youth and Families Act 2005 in Victoria there is a trend towards shifting risk from government towards the community sector. The new Act, as encapsulated through the ChildFIRST/Integrated Family Services system has raised the threshold for entry into the child protection system, leaving community organisations under-resourced to deal with significantly more complex client situations.

And yet, the government in Victoria talks about collaboration and partnership with the sector. While this is a stronger reality here than in other States/territories, the sector is in danger of taking on the risks of government, but being relatively powerless to challenge government funding – unless it is via the complete withdrawal of services.

The Centre would advocate that effectiveness should be linked with “making a difference”, which is evidence-based, and linked to agreed outcomes without a proscriptive “one size fits all” approach. A more effective approach being one that focuses on a place-based approach that allows local communities to determine local responses to local issues, with government’s role being that of informing, providing the

tools to inform community needs, and facilitating the creation of interfaced service delivery systems (e.g. a hospital sharing data with Child Protection, sharing data with the police)

5. Improving the effectiveness of direct government funding: ensuring appropriate independence and minimal compliance burden

Since the implementation of the Child Youth and Families Act (2005) in 2007, the burden of complying with the Registration Standards contained in the Act has had a major negative impact on the community organisations (CSOs) that are required to meet them. CSOs are under-resourced and most did not (and still do not) have the skills and the capacity to undertake the internal auditing functions and the preparation for external reviews that are essential components of the process. Research conducted by the Centre established that:

- *large and small organisations alike saw an increase in compliance and regulatory costs, ranging between 7.5 to 10% of their annual income. The value of the increase is between \$400,000 (Medium CSO) to \$1.1 million (large CSO).*

The Centre and eight regional community organisations were also involved in a research project (completed in May 2009) conducted by Dr. Angela Murphy of Ballarat University, into the emerging impact of the Victorian Reform agenda on the sector. The data from this research confirm the findings of the Centre's research that the CSOs are struggling to comply with the multiple sets of Standards that apply to many of them. The burden that these requirements place on the organisations has been conveyed in strong terms to DHS as the funding body.

In April 2009, Deloitte published a report that was commissioned by DHS entitled, *Reducing the Burden – Standards and quality requirements for DHS-funded organisations*. Here again, the recommendations were very similar to those cited in the research conducted by the Centre and Ballarat University. DHS is currently exploring the possibility of integrating the range of Standards that apply to the CSOs into a single set in order to simplify the current requirements without compromising the quality of service performance.

Finally, the Victorian Ombudsman, in his Own Motion review of Victoria's Child protection system, has stated the following:

"It is...important to ensure the Department's role in funding and regulating the community based sector does not impede staff in community organisations from articulating their views robustly." (Victorian Ombudsman, Own Motion Investigation into the Department of Human Services Child Protection Program, Nov 2009, p.16). He goes on to recommend, in relation to this, that current arrangements be reviewed "to ensure that community sector organizations are able to advocate for the best interests of children and present their professional opinions on matters under consideration." (ibid., Recommendation 34, p.134)

In view of the above information, and as stated earlier in this response, the Centre and its 93 members strongly support measures that work towards reducing crippling administrative and compliance burdens on community sector organisations.