Community services of the future
An evidence review

January 2018

About the Future Social Service Institute

The Future Social Service Institute (FSSI) is a collaboration between the Victorian Council of Social Service and RMIT University, funded by the Victorian Government.

FSSI supports the social service workforce to be service-delivery leaders at a time of major growth and disruption. We:

- **CO-DESIGN** world-best workforce education programs
- **HELP TRAIN** the workforce of the future
- **RESEARCH** emerging trends and opportunities, and
- **EMPOWER** not-for-profit organisations to reorient to a global market.

Contents

Executive summary

The Future Social Service Institute (FSSI) was commissioned by the Community Service Industry Plan Working Group to write evidence reviews in 10 areas identified by the community sector as priorities. The reviews would be designed to inform the Industry Plan and to gauge the future research needs of the community sector.

Key findings

> - **The community sector is facing unparalleled changes *inter alia*: demand driven, individualised and marketised systems, new regulatory environments, transformations in management practice and leadership.**

> - **Based on these 10 evidence reviews, the community sector can be characterised as being 'research poor'.**

> - **Reviews of 'person-centred services' and 'place-based services and systems' showed little evidence and transferability of findings, were hampered by context and jurisdictional differences, and short-term research unable to sufficiently address complexity and causation.**

> - **Consistent evidence has emerged around flexible person-centred funding. Better outcomes are produced with sufficient funding where information and support for decisions is available and where there are services and workers to convert funding into outcomes.**

> - **In all reviews linked to outcomes for service users, more research is required for hard-to-reach groups and those who have not benefited from new policy and practice.**

> - **Four of the 10 reviews explored sector processes: strengthening outcomes, regulatory frameworks, governance and leadership and organisational and industry readiness. The volume of research in these areas was found to be particularly low. Regulatory frameworks can change the governance, leadership and outcomes adopted in the sector. There is a chance that some approaches may undermine the sector's mission. Research in all four areas is required along with research on the impact of new regulatory systems on the operation of the sector itself.**

➢ Two reviews explored future innovation: information-sharing and technological innovation, and embedding evidence. The speed of technological change applies widely across the sector, but there is little research around the impacts of such change. More research is needed on the relevance, efficacy and ethics of using Big Data, predictive analytics and combining datasets. Good practice in co-design has the potential to drive sector change based on the continuous flow of information on experiences and outcomes from those who use sector services and supports. There remain huge questions around sharing data, shared platforms and the interoperability of new IT and database systems, which require research attention.

➢ The future workforce will transform out of all recognition, especially short-term in the disability sector and longer term in the ageing sector. More systematic data collection might be supported by worker registration for the sector and by better access to administrative datasets. Given the level of change, longitudinal research is essential in this area, and in the associated area relating to workforce training.

➢ Wider conditions to support research in the sector suggest the need for: substantially greater research funding; more support to community sector organisations which would struggle to fund research themselves; and clarity on sector outcomes emerging from co-designed research that could drive regulation and sustainable service change based on best practice.

➢ Importantly, a way of organising 'dedicated research support' to the sector, but independent of any single sector interest, is required. Such an arrangement would establish sector-generated research priorities. It would search for and bring funding together for industry-relevant collaborative research, and it would act as a support at the level of co-design and production for the wider dissemination.

➢ A guiding principle of research must always be to explore the extent to which the values and mission of the community sector are conserved by any new policy, strategy or practice.

Introduction

Background

The community sector in Victoria, and more widely in Australia, is going through and is prospectively subject to, significant and ongoing change.

The community sector is crucially important. Registered charities alone contribute more than $13 billion a year to the economy[1], and the sector as a whole, therefore, considerably more. But independent of the economic contribution, the sector strengthens the fabric of Victorian communities, finds pathways to overcome poverty and promote active citizenship, acts as a compass for policy change and advocacy based on its on-the-ground engagement, supports significant levels of volunteering and is itself a major employer in Victoria.[2]

In *A Growing Industry*[3] the Victorian Council of Social Service (VCOSS) states the Victorian community sector employs 150, 000 people, more than any other key industry in the economy. Due to population growth, an ageing population and the introduction of the NDIS, the sector will likely grow by 16 per cent between 2015 and 2020[4], accounting for almost a quarter of all projected employment growth to that year[5]. The aged care workforce alone will need to expand from 366,000 to 980,000 by 2050 to meet the needs of increasing numbers of older Australians accessing

aged care services[6]. The Productivity Commission estimates the need for 70,000 additional disability support care workers as the NDIS rolls out up to 2019-20, "or about 1 in 5 of all new jobs created in Australia in the transition period".[7]

Yet a growing proportion of that workforce is precariously employed and lower paid and, it may be added, is gendered, with four out of every five of its employees (80%) being women. The growing workforce alone represents a significant challenge to the industry as well as to training and career pathways, as further detailed by Kyle, MacDonald and Bentham in this volume.

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As the public sector withdraws from direct service provision, the choice of service by consumers, many using individualised funding[8], now places the sector in a competitive market[9] as block funding is withdrawn. Whilst expenditure around individualised funding, particularly in disability have risen, sector organisations are faced with multiple accountabilities and outcomes-based funding in new regulatory

[1]VCOSS (2015) *Building on the value of Victoria's community sector*, VCOSS: Melbourne.
[2]ibid.
[3]VCOSS (2017) *A Growing Industry: A snapshot of Victoria's community sector charities*, VCOSS: Melbourne, p.22.
[3] ibid., p.22
[4]ibid., p.22
[5] Department of Employment 2017. *Regional Projections to November 2020*. Available from http://lmip.gov.au/default.aspx?LMIP/GainInsights/EmploymentProjections.

[6]Committee TSCAR (2017) *Future of Australia's aged care sector workforce*, Commonwealth of Australia: Canberra.
[7] Productivity Commission (2017) *National Disability Insurance Scheme (NDIS) Costs. Productivity Commission Study Report: Overview*, Commonwealth of Australia: Canberra.
[8]Dickinson H. & Glasby J. (2010) *The personalisation agenda: Implications for the Third Sector*, Third Sector Research Centre: Birmingham.
[9]Davidson, B. (2009) 'For-profit organisations in managed markets for human services', Ch. 3 in King, D. & Meagher, G. (eds) *Paid Care in Australia: Politics, Profits, Practices*, Sydney University Press: Sydney, pp.43-79;

environments (see Andrews, this volume), the community sector will need careful thought, leadership and governance as Dickinson (this volume) attests. New skills may be needed to address these complex changes when, as has been asserted, the sector has previously struggled with such change management.[10]

Major, and once-in-a-generation policy shifts to marketised and personalised services, demographic change and workforce demands represent a real threat to the mission and values of the community sector. Evidence in relation to personalisation are addressed by Laragy in this volume, as is the emergence of place-based approaches, by Cordoba.

The changes outlined above represent a 'multiple paradigm shift' of immense challenge. They also take place at a time in which the rate of change in technology and its application in the community sector are growing, as outlined by Karanasios (this volume) – and where new forms of evidence production are emerging (see Ramcharan, this volume).

The melange of changes outlined will require huge investment for change management itself, and longer term as the community sector seeks transformation One way of seeking to address the above issues is to explore what evidence exists that has the capacity to drive change in the sector. This volume, in small measure, seeks to fulfil this role.

Scope of this review

This volume is made up of 10 evidence reviews, which seek to address key issues for the community sector as it develops a *Community Services Industry Plan* for the coming decade.

The work in each review presents evidence in 10 chapters, one contributed by each author, drawing upon their own academic expertise. The reviews are therefore independent of other interests.

In reading the following reviews the reader will very soon become aware of the massive job facing the community sector in the next decade, the huge shift in culture required, and the need for much more evidence to inform the sector through this period of 'multi-paradigmatic shift'.

The evidence review was commissioned by VCOSS and managed by the Future Social Service Institute (FSSI), a collaborative body funded by the Victorian State Government and RMIT University, and operating in collaboration with VCOSS. The brief was to find academic experts who would undertake a high level environmental scan and analysis of evidence to support the *Victorian Community Services Industry Plan*, which is presently in development. Each evidence review was peer-reviewed by FSSI and edited to meet the brief, but without changing the arguments and conclusions drawn by each of the authors.

FSSI was asked to undertake these evidence reviews in 10 key areas by the Community Services Industry Plan Working Group. This group identified 10 key priority areas in consultation with the community sector, where further evidence might inform the continuing development of the Industry Plan.

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[10]Butcher, J. (2015) 'The third sector and government in Australia: Not-for-profit reform under Labor, 2007-13',

Australian Journal of Political Sciences, Vol. 50, No. 1, pp. 148-163.

Consequently, the 10 evidence reviews presented in this volume have been undertaken to reflect these 10 identified priority areas.

After presentation of the 10 evidence reviews, a final chapter seeks to distil key messages to inform the Industry Plan and, further, to gauge the future research needs of the sector. In reading the following reviews the reader will very soon become aware of the massive job facing the community sector in the next decade, the huge shift in culture required, and the need for much more evidence to inform the sector through this period of 'multi-paradigmatic shift'.

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CHAPTER ONE
Flexible person-centred funding models

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Introduction

The introduction of person-centred individual funding models has been driven by advocates wanting greater choice and control; and by governments with policies of human rights and economic imperatives. Governments believe that a competitive marketplace will deliver more responsive and accountable services[11]. This chapter reviews national and international literature on person-centred individual funding models and identifies factors that contribute to their success. The Victorian Department of Health and Human Services has a procurement policy that purchases goods and services using tenders and grants to provide person-centred services in the fields of health, disability, ageing, mental health, families, children, youth and family violence[12]. While acknowledging that block funding continues to be used to purchase services in these areas, this chapter focuses on flexible person-centred funding models using individual funding.

Differences between individual funding programs nationally and internationally in different sectors tend to make direct comparisons difficult. However, taken collectively evaluations point to a surprising uniformity about success factors and both large scale randomised studies and small in-depth case studies regularly come to similar conclusions. People need adequate funding, information and support to make informed decisions, and appropriate services to purchase. These factors are shown in Figure 1.

Figure 1: Key factors determining outcomes in person-centred individual funding models

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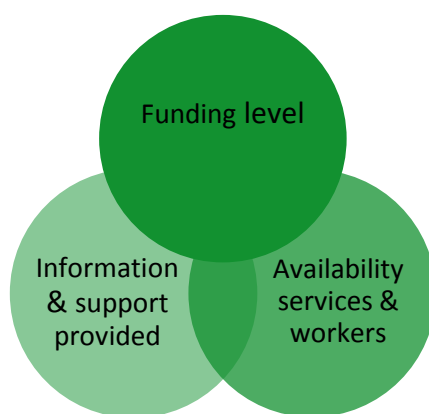
[11]Productivity Commission. (2017). *Shifting the Dial: 5 Year Productivity Review*. Canberra: https://www.pc.gov.au/inquiries/completed/productivity-review/report/productivity-review.pdf, Last accessed 18th Jan 2018.

[12] 'Doing Business with us' DHHS https://dhhs.vic.gov.au/funding-grants-and-tenders-0 , (last accessed 19th Jan, 2018).

> **Case Study**
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> A widow aged 83 had a Consumer Directed Care aged care package. She regularly attended her local church services and functions until her mobility decreased. Church members provided her with car transport until the point when she needed more support than they could provide. She was distressed at the prospect of being unable to attend church and losing her social network. She spoke to her service provider about changing her support arrangements and having a support worker accompany her to church services and functions. When her provider was unable to provide staff at the necessary times she rang a few others and found one who could assist if she was willing to pay penalty rates and reduce her hours of support. She accepted these conditions, changed her provider, and continued her social participation and maintained her social network.

The aged care case study above demonstrates how individual funding can give people more choice and control if service providers are flexible and responsive to their needs. In this example an aged care provider held and managed the older person's funds and assisted with planning and payments. The guidelines required that the funds be spent with a registered service provider. As funding is a key determinant of outcomes, discretion is needed when comparing research findings across programs and across countries. The United Kingdom (UK) austerity measures have had a devastating impact on programs and the outcomes they achieve[13]. Individual budgets have been reduced, and staff have been pressured to make decisions for people instead of building a relationship and assisting the person make their own decisions[14]. Critics argue that cost cutting measures are contravening peoples' human rights, and principles of choice and control have been discarded[15]. In comparison to the UK, Australia's National Disability Insurance Scheme (NDIS) is considered well-funded through the initial Medicare levy of 0.5% and a further 0.5% levy to be imposed in 2019[16].

Individual funding models allocate 'portable' funds and 'the person' has some choice as to where supports are purchased. When referring to 'the person' having choice, a family member or representative may be assisting them. This does not deny that family members may have separate needs and that their views may differ. Some models have an 'open' allocation method and funds can be spent with few restrictions, these exist in some European countries including Germany[17] and Sweden. Australia has followed the UK and the US in requiring that spending be restricted to a tightly defined plan. Key features across four key dimensions are shown in Figure 2. The research studies discussed below often do not describe the program design and what dimensions exist, which makes comparisons difficult.

[13]Larkin, M. & Mitchell, W. (2015) 'Carers, Choice and Personalisation: What Do We Know?', *Social Policy & Society, First View Articles*, pp.1-17.

[14]Lymbery, M. (2014) 'Social Work and Personalisation: Fracturing the Bureau-Professional Compact?', *British Journal of Social Work*, 44, pp.795–811.

[15]Hamilton, S., Tew, J., Szymczynska, P., Clewett, N., Manthorpe, J., Larsen, J. & Pinfold, V. (2016) 'Power, Choice and Control: How Do Personal Budgets Affect the Experiences of People with Mental Health Problems and Their Relationships with Social Workers and Other Practitioners?', *British Journal of Social Work,* 46: 3, pp. 719-736.

[16]Productivity Commission.(2017). *National Disability Insurance Scheme (NDIS) Costs: Study Report*. Canberra: http://www.pc.gov.au/inquiries/completed/ndis-costs/report/ndis-costs-overview.pdf, (last accessed 18th Jan 2018)

[17]Alakeson, V. (2010) 'International development in self-directed care', *Issue Brief*, The Commonwealth Fund, 78, pp.1-11.

Figure 2: Key dimensions of individual funding models Importance for community service organisations

Who holds the funds: Person or service provider	How funds are managed: Self-manage / professionally managed	Assistance provided: Little or none	Where funds can be spent: Open market or registered services

The introduction of person-centred individual funding models is changing every aspect of community service organisations' service model. Ethics and values are challenged in a fee-for-service market economy where the most vulnerable can be overlooked; financial systems have to be reconfigured to manage individual payments; and workforce recruitment is precarious with financial resources being dependent upon attracting 'consumers'. Major cultural and organisational changes are required to navigate this new landscape. Factors that need to be addressed are outlined below. Some factors, such as allocated funding, are beyond an organisation's control, while others can be proactively managed drawing on evidence outlined below about maximising outcomes in the sector.

National trends

Australia has a long history of individual funding in the disability sector. The Western Australian *Local Area Coordination* program commenced in 1988 for people living in rural and remote areas where there were no services. A network of supports was organised for the person that employed family and community members –

evaluations showed that it was quite successful[i].When the program expanded to the capital Perth, a small number of service providers used the flexible funding creatively to facilitate community living arrangements for people with disability[18]. Notably most providers pooled peoples' individual funds and continued to function as they had under block funding. Most people did not know they had individual funding. This example shows that simply allocating people an individual budget does not necessarily bring about change.

Victoria commenced the *Futures for Young Adults* program in 1996 and allocated an individual budget for students with disability transitioning from school[19]. The *Support & Choice* program followed in 2003. Like evaluations of many individual funding programs, an evaluation was conducted the following year when the program was in its infancy and findings showed upheaval and uncertainty[20]. Despite this limitation, the evaluation identified key factors needed for success that are reported in nearly every individual funding assessment. These are adequate funding, user friendly processes and practices, skilled facilitators, support to make decisions and access services and

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[18]Forsyth, L., Doyle, N., & Zubrik, R. (2016). *Consumer Directed Care reforms: Navigating the competitive aged care landscape*. Australia: https://home.kpmg.com/au/en/home/insights/2016/08/cons umer-directed-care-reform-war-for-care-talent.html (last accessed 18th Jan 2018)

[19]Laragy, C. (2004) 'Self-determination within Australian school transition programmes for students with a disability', *Disability & Society*, 19: 5, pp.519-530
[20]LIME Management Group (2005) *Evaluation of Support & Choice Implementation: A report for the Victorian Department of Human Services*

supports, available services to purchase, and a welcoming and inclusive community.

Two major evaluations of the early stages of the NDIS provide insights into the scheme's processes and outcomes. These studies were conducted by the Productivity Commission[21], and the National Institute of Labour Studies (NILS) at Flinders University, which is undertaking the NDIS's formal evaluation[22]. Findings from the two studies are similar and some aspects reflect findings from an aged care Consumer Directed Care evaluation[23]:

- Many (but not all) NDIS participants received more disability supports than previously, had more choice and control over the supports they received, had improvements in their quality of care, greater independence and an increase in overall wellbeing.

- People who missed out included: those with psychosocial disability; complex and multiple disabilities; language and cultural barriers; transitioning into the community from the criminal justice system; the homeless; and the socially isolated.

- Poor quality of staff and NDIS workforce pricing constraints are negative factors

- Planners need specialised training to engage in pre-planning and planning conversations and produce quality plans

- The workforce had decreased opportunities for training, increased

turnover, more unfunded work, and more casual and less well-paid work

- There is a severe workforce shortage and it is estimated that 1 in 5 new jobs over the next few years will need to be in disability support to meet demand

- 'Thin' markets exist in areas where there are insufficient support services and no competition – the Productivity Commission encouraged the NDIS to consider all options to overcome this shortage, including block-funding and skilled migration.

- While the majority of NDIS participants did not change providers, their confidence grew over time

- Service providers had to change their business models; there was increased merger and acquisition activity; entry of new providers; exits from the sector; and more guarded relationships between providers

- When group-based services ceased because of funding changes, some participants lost the opportunity to mixed socially

- Some non-NDIS participants received fewer services while others 'fell through service gaps' and received no supports at all

- Support for carers (within and outside of the NDIS) diminished with the introduction of the NDIS.

[21]Productivity Commission.(2017). *National Disability Insurance Scheme (NDIS) Costs: Study Report.* Canberra: http://www.pc.gov.au/inquiries/completed/ndis-costs/report/ndis-costs-overview.pdf (last accessed 18th Jan, 2018)
[22]Mavromaras, K., Moskos, M., & Mahuteau, S. (2016).*Evaluation of the NDIS, Intermediate Report.* National Institute of Labour Studies (NILS), Flinders University. https://www.dss.gov.au/disability-and-carers/programs-services/for-people-with-disability/national-

disability-insurance-scheme/ndis-evaluation-intermediate-report (Last accessed 18th Jan 2018)
[23]Department of Social Services. (2015). *Formative evaluation of the Home Care Packages Programme: Detailed findings report.* https://agedcare.health.gov.au/sites/g/files/net1426/f/documents/09_2015/formative-evaluation-of-the-home-care-packages-programme-detailed-findings-report.pdf (Last accessed 18th Jan 2018)

Major national and international trends

Professor Beresford from the Centre for Citizen Participation at Brunel University, London classified findings from his studies on individual funding programs under eight headings[24]. These headings will be used below to present a summary of the literature reviewed and to point to best sector practice given the evidence reviewed above.

Funding

Welfare spending cuts in the UK[25] and the USA[26] have severely reduced service provision. Australia is in the 'fortunate' position of having NDIS disability support funding increased with the Medicare levy. Other areas of social services such as health, education and aged care struggle to provide services within their allocated budgets. Despite this injection of funds into disability services, not everyone needing support has all their needs met[27]. There are also grave concerns for people with disability deemed ineligible for the NDIS because previously available state-based services are closing[28]. Yet adequate funding and coverage are key components that produce best outcomes.

Support

Across all sectors the provision of support was a key success factor in individual funding programs. The UK offered everyone receiving disability support *Direct Payments*, which is a self-managed model that requires people to manage with no assistance. People could pay for coordination support from their allocated budget, as occurs in Australian aged care Consumer Directed Care programs. UK evaluations found that vulnerable people, e.g. the aged[29] and those with mental illness[30] struggled to self-manage and did not record positive outcomes.

In contrast, the United States (US) *Cash and Counseling* program conducted in 15 states demonstrated the benefits of providing planning and administrative assistance. All people self-directed their supports and managed their services, including vulnerable aged[31]and others with mental health issues[32]. The extensive randomised controlled evaluations using qualitative and quantitative measures found that most people achieved positive outcomes. The significant difference between the UK and US models was the unlimited planning and administrative assistance provided in the US to the person being supported at no additional cost to them. The support staff

[24]Beresford, P., Fleming, J., Glynn, M., Bewley, C., Croft, S., Branfielde, F. & Postle, K. (2011) *Supporting People: Towards a person-centred approach*, The Policy Press: Bristol.
[25]Department of Social Services. (2015). *Formative evaluation of the Home Care Packages Programme: Detailed findings report.* https://agedcare.health.gov.au/sites/g/files/net1426/f/documents/09_2015/formative-evaluation-of-the-home-care-packages-programme-detailed-findings-report.pdf, (last accessed 18th Jan 2018)
[26]USAhttp://money.cnn.com/2012/08/09/news/economy/welfare-reform/index.htm (last accessed 18th Jan 2018)
[27]Warr, D., Dickinson, H., Olney, S., Hargrave, J., Karanikolas, A., Kasidis, V., Wheeler, J. (2017). Choice, control and the NDIS.http://socialequity.unimelb.edu.au/news/news-archive/choice-control-and-the-ndis-report, (last accessed 18th Jan 2018)
[28]LIME Management Group (2005). *Evaluation of Support & Choice Implementation: A report for the Victorian Department of Human Services.*

[29]Moran, N., Glendinning, C., Wilberforce, M., Stevens, M., Netten, A., Jones, K., Jacobs, S. (2013) 'Older people's experiences of cash-for-care schemes: evidence from the English Individual Budget pilot projects', *Ageing and Society*, 33: 5, pp.826-851.
[30]Hamilton, S., Tew, J., Szymczynska, P., Clewett, N., Manthorpe, J., Larsen, J., & Pinfold, V. (2016) 'Power, Choice and Control: How Do Personal Budgets Affect the Experiences of People with Mental Health Problems and Their Relationships with Social Workers and Other Practitioners?', *British Journal of Social Work*, 46: 3, pp.719-736.
[31]San Antonio, P., Simon-Rusinowitz, L., Loughlin, D., Eckert, J. K., Mahoney, K. J., & Ruben, K. A. D. (2010) 'Lessons from the Arkansas cash and counseling program: How the experiences of diverse older consumers and their caregivers address family policy concerns', *Journal of Aging and Social Policy*, 22: 1, pp.1-17.
[32]Barczyk, A. N., & Lincove, J. A. (2010) 'Cash and counseling: A model for self-directed care programs to empower individuals with serious mental illnesses', *Social Work in Mental Health*, 8: 3, pp.209-224.

providing personal assistance worked to establish a positive relationship with the person. Sector outcomes are likely to be better where such support is provided.

Workforce

Two recent NDIS workforce reports raised concerns that have implications across all social service sectors. The Productivity Commission reported workforce shortages[33], and a joint university-union study found that pay rates for support workers were too low to attract and retain a suitably skilled workforce[34].

Casualisation of the workforce and split shifts were increasing and workers were not paid for travel time.

This report identified a wide range of workforce concerns including low pay rates, not allowing time for mandatory training, building relationships with participants, communicating with supervisors and other workers, or the completion of paperwork. Casualisation of the workforce and split shifts were increasing and workers were not paid for travel time. Similar issues were identified in the UK[35]. A major exploration of workforce changes is required as a result of the introduction of flexible funding and marketised services (see MacDonald, this volume).

Informal care

A literature review conducted in 2015 examined the impact of individual funding on carers of people with mental illness. This found that there were 'knock on' advantages for carers when the person receiving support spent less time in psychiatric hospitals and criminal justice settings, gained employment and had a better quality of life[36]. However, carers became stressed and burdened when no appropriate support was available to assist with managing support services and these tasks fell to family carers. The Productivity Commission also reported positive outcomes for some carers participating in the NDIS, although little data were available, and they recommended more data be routinely collected[4]. As some marginalised NDIS participants did not gain any benefits from the NDIS, it follows that their carers probably did not as well. Flexible individualised funding models need to consider their effects on with family caregivers and maximise their benefits.

Institutionalisation

Beresford found in his individual funding studies in the disability (including mental health) and aged care sectors that some organisations continued to expect people to fit into their regime. The organisations were unwilling or unable to adapt to peoples' needs. Similarly, an Australian aged care study of Consumer Directed Care found that change management was challenging when all systems, processes and attitudes had to change radically[37]. Strong sector leadership

[33]Hamilton, S., Tew, J., Szymczynska, P., Clewett, N., Manthorpe, J., Larsen, J. & Pinfold, V. (2016) 'Power, Choice and Control: How Do Personal Budgets Affect the Experiences of People with Mental Health Problems and Their Relationships with Social Workers and Other Practitioners?', *British Journal of Social Work*, 46:3, pp.719-736.
[34]Cortis, N., Macdonald, F., Davidson, B. & Bentham, E. (2017) *Reasonable, necessary and valued: Pricing disability services for quality support and decent jobs*, SPRC, Sydney.: https://www.sprc.unsw.edu.au/media/SPRCFile/NDIS_Pricing_Report.pdf (last accessed 18th Jan 2018)

[35]Hussein, S. & Manthorpe, J. (2012) 'Structural marginalisation among the long-term care workforce in England: evidence from mixed-effect models of national pay data', *Ageing and Society*, 34: 1, pp.21-41.
[36]You, E., Dunt, D. & Doyle, C. (2017) 'How would case managers' practice change in a consumer-directed care environment in Australia?', *Health and Social Care in the Community*, 25: 1, pp.255–265.
[37]Laragy, C. & Allen, J. (2015) 'Community aged care case managers transitioning to consumer directed care: more than procedural change required', *Australian Social Work*, 68: 2, pp.212–227.

and peer support were effective in assisting with change management (see Dickinson, this volume).

Organisational structures

Beresford found that organisational structures can be overly bureaucratic, dominated by managerialism and preoccupation with negative risk which serves to limit peoples' choice and control. Similar observations have been made of the NDIS[38]. Models achieving dignity of risk tend to produce better outcomes as evaluated by those using services.

Occupational practice

Numerous Australian and international studies reported that professional staff often found it difficult to adapt to new ways of working which required them to share power with people using the service[39]. Professionals had to unlearn old practices of having authority to make decisions about other people's lives, and learn how to facilitate and empower others. Many professionals found this change threatening and challenging. As with institutional change, strong leadership, training and peer support contributed to effective change management strategies.

Access to mainstream services

The Productivity Commission[4] identified that the interface between NDIS disability and mainstream services is poorly defined and better coordination is needed between different levels of government. While some people were accessing more mainstream services, improvement is needed if inclusion is to be achieved.

The transition to a market-led service system is blurring the distinction between specialist and mainstream services. Specialist service providers are required to compete in an open market and their viability is precarious if they cannot adapt. There are also concerns a market service system is leaving vulnerable people without support if they cannot navigate the service system.

Person-centred individual funding models have been widely promoted as increasing people's choice and control on the assumption that people can purchase services and supports from a wide selection in the marketplace. However, there are intrinsic tensions in a market economy where no one is responsible for protecting the rights of vulnerable people. Disability advocates who lobbied for the introduction of individual funding envisaged collective peer support[40]. However, this ideal has not been realised, especially where: there are budget cuts; no support is provided; and there are no appropriate services to purchase. Interestingly the Productivity Commission recently suggested that block funding be reconsidered in areas where there are 'thin' markets and necessary services have not emerged in the market.[41]

[38]USA: http://money.cnn.com/2012/08/09/news/economy/welfare-reform/index.htm (Last accessed 18th Jan, 2018) Warr, D., Dickinson, H., Olney, S., Hargrave, J., Karanikolas, A., Kasidis, V., ... Wheeler, J. (2017) Choice, control and the NDIS: http://socialequity.unimelb.edu.au/news/news-archive/choice-control-and-the-ndis-report (Last accessed 18th Jan, 2018)
[39]You, E., Dunt, D. & Doyle, C. (2017) 'How would case managers' practice change in a consumer-directed care environment in Australia?', Health and Social Care in the Community, 25: 1,pp.255–265

[40]Mladenov, T., Owens, J. & Cribb, A. (2015) 'Personalisation in disability services and healthcare: A critical comparative analysis', Critical Social Policy, 35: 3, pp.307–326.
[41]Hamilton, S., Tew, J., Szymczynska, P., Clewett, N., Manthorpe, J., Larsen, J. & Pinfold, V. (2016) 'Power, Choice and Control: How Do Personal Budgets Affect the Experiences of People with Mental Health Problems and Their Relationships with Social Workers and Other Practitioners?', British Journal of Social Work, 46: 3, pp.719-736.

CHAPTER TWO
Place-based services and systems

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Introduction

An overview of the key literature and evidence for place-based services and systems requires consideration of the main understandings and debates in this emergent area, highlighting the evidence base for these approaches and case studies exemplifying what such approaches look like when operationalised. These are provided below and consequent to these a series of points relevant to the community sector are presented as topics for future discussion.

Literature on place-based services and systems

Defining what constitutes place-based services can be challenging given the absence of a universally agreed upon definition. Despite this, there are some common characteristics to all approaches, driven by the central idea that for the provision of effective services stakeholders need to be engaged "in a collaborative process to address the issues as they are experienced within a geographical space, be it a neighbourhood, a region or an ecosystem"[42].

Place-based services and systems have been the focus of significant attention over the past few years at a policy, research and community level[43][44][45][46]. This interest is driven by the central idea that the complex psychological, health and social issues that people experience require government and community sector services that concentrate on the social and physical environments, working collaboratively with all key stakeholders. There is significant evidence to demonstrate the relationship between place and people's health and wellbeing, including for example the extensive work on the Social Determinants of Health[47][48]. Research has conclusively shown that people living in disadvantaged areas have poorer outcomes in key indicators including health, education, employment and general wellbeing[49][50][51]. This is not to say that these issues are limited to people living in certain areas, one of the limitations of this approach but, rather, that services need to take into consideration the significant influence that place and context has on health and wellbeing. In addition to individual

[42] Bellefontaine, T. & Wisener, R. (2011) *The Evaluation of Place-Based Approaches: Questions for Further Research*: Policy Horizons, Canada.

[43] Moore, T.G. & Fry, R. (2011) *Place-based approaches to child and family services: A literature review*, Murdoch Children's Research Institute and The Royal Children's Hospital Centre for Community Child Health: Parkville, Victoria

[44] Smyth, P. (2008) *Place based policy at the crossroads: A summary report of the social inclusion and place based disadvantage workshop*, Brotherhood of St Laurence: Fitzroy, Victoria.

[45] Ibid

[46] Wilks, S., Lahausse, J. & Edwards, B. (2015) *Commonwealth place-based service delivery initiatives: Key learnings project*, Australian Institute of Family Studies: ACT

[47] Commission on the Social Determinants of Health (2008) *Closing the Gap in a Generation: Health Equity through Action on the Social Determinants of Health*, World Health Organisation: Geneva, Switzerland

[48] Hughes, P., Black, A., Kaldor, P., Bellamy, J. & Castle, K. (2007) *Building Stronger Communities*, University of New South Wales Press: Sydney, NSW.

[49] Australian Institute of Health and Welfare (1999) *The Burden of Disease and Injury in Australia*, AIHW cat. No. PHE 17.

[50] Edwards, B. & Bromfield, L.M. (2009) 'Neighborhood influences on young children's conduct problems and pro-social behavior: Evidence from an Australian national sample', *Children and Youth Services Review*, 31: 3, pp.317-324.

[51] Baum, S. (2008) *Suburban Scars: Australian Cities and Socio-economic Deprivation*, Urban Research Program Research Paper 15, Urban Research Program, Griffith University: Brisbane, Queensland.

approaches, place-based approaches provide a strategy to address issues like disadvantage and health inequality by developing services and systems that are designed to collaboratively meet the specific needs of a particular location[52] [53].

> *Place-based approaches provide a strategy to address issues like disadvantage and health inequality by developing services and systems that are designed to collaboratively meet the specific needs of a particular location.*

Place-based approaches have been developed both locally and internationally to address a varied range of policy issues including health[54], housing[55], mental health[56], social inclusion[57], family wellbeing[58] and sustainability[59]. Despite this great variety of topics and approaches, the literature[60] [61] identifies a series of guiding principles that are shared by place-based interventions regardless of context, which include:

- Government and community sector services specifically designed to meet the needs of communities, groups, locations of communities and all relevant stakeholders being engaged to foster collaborative decision making.
- A partnership-based approach between all stakeholders – including the community sector and the broader community, between service providers, and between communities, community sector and government.
- A particular emphasis on developing local skills and capacity building
- The ability of services and systems to adapt to new learnings

Stakeholder interests being seen as one aspect of a larger framework for service delivery that also encompasses individual and broader policy work programs that require time and adequate funding and resourcing focusing on long-term outcomes.

Furthermore, the literature identifies the main characteristics of effective place-based approaches[62], which include:

- Multilevel approaches that focus on individual need and larger contextual factors.

[52]Churchill, B., Doherty, Y. & Hansen, E. (2012) *People and Place: Developing a Research Program for Understanding and Addressing Place-based Health Inequities in Tasmania*, University of Tasmania/Department of Health and Human Services: Tasmania.

[53]Yeboah, D.A. (2005) 'A framework for place based health planning', *Australian Health Review*, 29: 1, pp.30-36.

[54]Department of Education (2015) *An Overview of Child and Family Centres*: https://documentcentre.education.tas.gov.au/Documents/Overview-of-Child-and-Family-Centres.pdf (last accessed 18th Jan, 2018).

[55]Klein, H. (2004) 'Neighbourhood renewal: revitalising disadvantaged communities in Victoria', *Public Administration Today*, 1: 1: pp.20-29.

[56]Department of Health (2016) *Support for Day to Day Living in the Community*: http://www.health.gov.au/internet/main/publishing.nsf/content/mental-d2dl (last accessed Jan 18th, 2018).

[57]Australian Institute of Family Studies (2015) *Commonwealth Place-Based Service Delivery Initiatives, Key Learnings project*, Research Report No. 32: https://aifs.gov.au/publications/commonwealth-place-

based-service-delivery-initiatives/executive-summary (last accessed 18th Jan 2018).

[58]Australian Institute of Family Studies (2010). *The national evaluation of the Communities for Children initiative*. Family Matters No. 84. https://aifs.gov.au/publications/family-matters/issue-84/national-evaluation-communities-children-initiative (last accessed 18th Jan 2018).

[59]United States Environmental Protection Agency (2014). *Partnership for Sustainable Communities: Five Years of Learning from Communities and Coordinating Federal Investments,* https://www.epa.gov/smartgrowth/partnership-sustainable-communities-five-years-learning-communities-and-coordinating (last accessed 18th Jan 2018).

[60]Centre for Community Child Health (2011) *Place-based approaches to supporting children and families,* CCCH Policy Brief No. 23, Centre for Community Child Health, The Royal Children's Hospital: Parkville, Victoria.

[61]Department of Health and Human Services (2012) *Place-Based Approaches to Health and Wellbeing Issues Paper*, Tasmanian Government: Hobart, Tasmania.

[62] Centre for Community Child Health (2014) *The evidence: what we know about place-based approaches to support children's wellbeing:* Centre for Community Child Health, The Royal Children's Hospital, Parkville, Victoria.

- Collaboration and improved communication between communities and services.
- Prioritising the co-design of services creating opportunities for the community.
- Utilising and building on community strengths and competencies to create sustainable change.
- Tailoring services to meet local needs.
- Having adequate time and resourcing.
- Using evidence-based interventions with a clear theory of change.

Evaluations and the evidence base

Place-based services and systems have faced several challenges in order to demonstrate their effectiveness. There are numerous difficulties that have arisen from past attempts at evaluations, including poorly designed methodologies and the inherent challenges of demonstrating causality with complex multifaceted issues[63]. The existing research is varied with evidence of place-based approaches having measurable improvements in some cases[64], but also questionable impacts in others[65]. Addressing issues like health inequality through place-based services for example, may take several generations or involve causal factors beyond the scope of short term place-based approaches or

evaluations. It is therefore challenging to conclusively demonstrate an impact[66][67].

Varying forms of evaluation methods have been utilised to measure the impact of place-based approaches, including formative, summative, impact and developmental approaches[68].

"[Evaluation and measurement methods] fall short of capturing the full range of policy issues, local perspectives, and learning processes at play when governments seek to enable bottom-up community development."

There is a clear tension between the approaches, characterised by attempts to measure "objective" results versus those that utilise more process and community experience focused designs[69]. The literature identifies the further development of evaluation methods as an area that requires significant attention in order to demonstrate causality, as "current modes of evaluation and performance measurement serve primarily as management tools for decision, making and accountability purposes. They fall short of capturing the full range of policy issues, local perspectives, and learning processes at play when governments seek to

[63]Wilks, S., Lahausse, J. & Edwards, B. (2015) *Commonwealth place-based service delivery initiatives: Key learnings project*, Australian Institute of Family Studies: ACT.
[64]Neighbourhood Renewal Unit (2005) *Research report 17: NDC 2001–2005 an interim evaluation*, The Stationery Office (TSO): London: http://extra.shu.ac.uk/ndc/ (Last accessed 18th Jan, 2018).
[65]Pastor Jr, M., Benner, C. & Matsuoka, M. (2015) *This could be the start of something big: How social movements for regional equity are reshaping metropolitan America*, Cornell University Press: New York.
[66]O'Dwyer, L.A., Baum, F., Kavanagh, A. & Macdougall, C. (2007) 'Do area-based interventions to reduce health

inequalities work? A systematic review of evidence', *Critical Public Health*, 17: 4, pp.317-335.
[67]Griggs, J., Whitworth, A., Walker, R., McLennan, D. & Noble, M. (2008) *Person- or place-based policies to tackle disadvantage?: not knowing what works*, Joseph Rowntree: York, UK.
[68] Wilks, S., Lahausse, J., & Edwards, B. (2015) *Commonwealth place-based service delivery initiatives: Key learnings project*: Australian Institute of Family Studies, ACT.
[69]Kelly, T. (2010) 'Five simple rules for evaluating complex community initiatives', *Community Investments*, 22: 1,pp.99-22, p.36: www.frbsf.org/publications/community/investments/1005/T_Kelly.pdf

enable bottom-up community development."[70]

Developmental methods have been the focus of recent literature given their suitability in responding to the needs of complex and constantly evolving service systems and communities[71] [72]. The method prioritises a continuous and collaborative approach to evaluation that is iterative and developed concurrently with the program. In doing so it provides a more flexible and inclusive approach for evaluating innovative service systems.

Another key and emergent concept is that of contribution analysis[73]. Contribution analysis is a more recent approach to evaluation that can provide a systematic process for determining the effectiveness of place-based services. The focus is on determining the causal links between complex issues, communities, interventions, theories of change and outcomes[74].

Another key and emergent concept is that of contribution analysis.

In 2015, Wilks et al[75] compiled a wide-ranging analysis of Commonwealth place-based service delivery initiatives, with an emphasis on both local and international examples of programs and their evaluation. The authors highlight the importance of evaluation for place-based approaches. In their analysis they identified five critical elements needed in an evaluation, most of which are absent in the field, including:

- **Causality** – Evaluating place-based services needs to be done using international best practice such as matched comparison areas, longitudinal data and sophisticated statistical analyses since using randomised trials is difficult.
- **A theory of change** – Evaluations require a clear program logic to demonstrate the link between goals, actions and outcomes so that they can be measured.
- **Attribution** – Considering the influence that other programs at a local, state or national level may have when trying to determine the effectiveness of a program, as there may be several overlapping services operating in the one area to address a similar issue
- **Residential mobility** – Any methods utilised need to account for population flows into and out of the area in determining whether the system is effective
- **Cost-effectiveness** – Analysis of the costs related to the provision of services, including clarity about the long-term benefits.

[70]Bradford, N., and Chouinard, J. (2010).*Learning through Evaluation? Reflections on Two Federal Community Building Initiatives*. The Canadian Journal of Program Evaluation 24, no. 1: 55-77.
[71] Bellefontaine, T. & Wisener, R. (2011) *The Evaluation of Place-Based Approaches*: Policy Horizons, Canada. http://www.horizons.gc.ca/en/content/evaluation-place-based-approaches (Last accessed 19th Jan, 2018).
[72] Patton, M.Q. (2011). *Developmental Evaluation: Applying Complexity Concepts to Enhance Innovation and Use*: The Guilford Press, New York.

[73] Stocks-Rankin, C.-R. (2014) *Reflective Literature Review of Contribution Analysis* [online] http://blogs.iriss.org.uk/contribution/files/2015/06/Reflective-Literature-Review-of-Contribution-Analysis-Stocks-Rankin-2014.pdf
[74] Bellefontaine, T. & Wisener, R. (2011). *The Evaluation of Place-Based Approaches*. Canada: Policy Horizons, op cit.
[75]Wilks, S., Lahausse, J. & Edwards, B. (2015) *Commonwealth place-based service delivery initiatives: Key learnings project*, Australian Institute of Family Studies: ACT.

Case studies

To better contextualise some of the points raised in this paper, two specific examples of place-based approaches both locally and internationally help to demonstrate what such approaches entail and what they can achieve.

New Deal for Communities - UK

The NDC program was launched in 1998 by the British government with the aim of reducing "the gaps between some of the poorest neighbourhoods and the rest of the country"[1]. The program operated for 10 years spending £1.71bn on supporting locally developed strategies that led to over 6,900 services or projects.[1] The program sought to achieve its main aim by establishing partnerships in 39 areas, each region with approximately 9,900 people, to achieve six key objectives.[1]

- Transform the 39 areas over 10 years
- Achieving holistic change in relation to three place-related outcomes: crime, community, and, housing and the physical environment, and three people-related outcomes: education, health, and unemployment
- To 'close the gaps' between these 39 areas and the rest of the country
- Achieve value for money transformation of these neighbourhoods
- Secure improvements by working with other delivery agencies such as the police, Primary Care Trusts, schools, JobcentrePlus[1], and their parent local authority
- Sustain a local impact after NDC Program funding ceased

Using an outcomes-based approach the final evaluation report[1]identified NDC areas as seeing "an improvement in 32 of 36 core indicators spanning crime, education, health, unemployment, community and housing and the physical environment; for 26 out of the 27 indicators where significance testing is possible, this change was statistically significant".[1] The greatest improvement was in NDC residents' feelings towards their areas and the recognition that this change was brought about because of NDC initiatives. The evaluation found that more broadly the NDC had: begun to reduce the gaps in NDC areas compared with the rest of the country, the program was cost effective, partnerships between service providers improved, efforts to engage local communities were positive but required significant consistency and commitment.

While the program had a demonstrated positive impact in certain regards, further analysis of longitudinal and cross-sectional data has highlighted some limitations in the findings from the evaluation and the disparity between different NDC areas.[1] Further criticism centred on the level of community participation in the program.[1]

Go Goldfields - Australia

Go Goldfields is a place-based approach to service delivery initiated by The Central Goldfields Shire Council in 2010. Their aim was to develop a collaborative approach to addressing some of the pressing issues facing the local area[1]. The program is an alliance of over a dozen organisations and receives funding from the Victorian state government and other partners. In Victoria, the Central Goldfields Shire has rated 79th out of the 79 local government areas on numerous health and social indicators, highlighting the need for a more holistic and place-based approach.[1] The main outcomes were:

- a reduction in the incidence of notifications to DHS Child Protection Services
- improved communication and literacy skills, more opportunities and positive life experiences for children and their families
- improved community connectedness for children, youth and families
- improving youth connection to appropriate training and education to achieve employment outcomes;
- increased breastfeeding rates.

The result is a series of action groups, programs, services, health and educational campaigns and strategies aimed at achieving the outcomes. Further details about the programs and the groups can be found on the Go Goldfields website[1].

In 2015, the first evaluation report was published identifying possible improvements in some areas and clear challenges and limitations, characteristic of several place-based approaches[1]. The evaluation applied a Collective Impact framework, focusing on process and experience. Several methods were utilised with qualitative and quantitative data collected using surveys, interviews and secondary statistical data analysis. The evaluation report identifies a greater awareness from the community of early childhood communication and literacy needs, some improvement in childhood development data, improved service coordination and greater opportunities for social connections. Challenges are predominantly characterised by the difficulties of programs to address intergenerational issues (impact of parent literacy on child literacy), the impact of broader structural issues (employment opportunities) and poor levels of engagement from the community (potentially undermining the program's collaborative and inclusive aspirations).

While the program has clear benefits in some respects, the limitations highlight some of the main issues that need greater consideration into the future.

Points for future consideration

The evidence reviewed suggests key points for future discussion and points to areas in which further inquiry is needed.

- **Insufficient evidence** – From the analysis of the literature there appears to be a clear lack of understanding about the effectiveness of place-based services and a consistent and agreed approach to evaluation. This presents numerous opportunities to enhance the evidence base of programs and develop models of service delivery that are more efficient and have clearer outcomes.

- **Evaluation methodologies** – There is significant scope to explore the use of innovative methodologies in the evaluation of these programs as the more conventional approaches may fail to capture outcomes that are not easily quantifiable.

- **The role of the community sector** – From the case examples[76] it is clear the community sector plays a key role in the successful implementation of place-based services, especially in their knowledge and understanding of local context. Greater resourcing and planning is required to assure that community services are fully utilised and incorporated into place-based systems.

- **Community engagement** – The challenges faced by services in adequately engaging with the community emphasise the further work that is needed on better understanding and addressing the potential barriers to engagement.

- **Long-term outcomes, short-term evaluations** – Given the challenges faced in continued funding and consistent implementation of service systems, there appears to be a contradiction between the long-term goals of many place-based approaches, and the ability to measure short term outcomes. This requires greater analysis, including the better utilisation of approaches like program logic to better establish the aims from the beginning and their links to specific actions.

- **Limitations of place-based services** – As was identified in both cases and widely in the literature[77] [78], place-based approaches may not be well positioned to address local issues that are symptomatic of historical or larger structural causal factors.

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[76]Wilks, S., Lahausse, J. & Edwards, B. (2015) *Commonwealth place-based service delivery initiatives: Key learnings project*, Australian Institute of Family Studies: ACT.
[77]Moore, T.G. & Fry, R. (2011) *Place-based approaches to child and family services: A literature review*, Murdoch Childrens Research Institute and The Royal Children's Hospital Centre for Community Child Health: Parkville, Victoria..
[78]Byron, I. (2010). Placed-based approaches to addressing disadvantage: linking science and policy (Report). *Family Matters*. 84, p.20.

CHAPTER THREE
Person-centred services

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Introduction

Since the 1990s community, health, nursing, medical and many other services have been developing 'person-centred' approaches. Human services have been quick to adopt the term as a driving principle for practice, and this applies in the community sector too.

The term 'person-centred' is a 'warm term', spanning ideologies and it be construed in different ways. It suggests respecting human rights, 'putting the person at the centre' and 'providing individualised services and supports'[79]. More recently the term has been used when promoting the consumer driven, neo-liberal market model used in the National Disability Insurance Scheme and Consumer Directed Care in aged care.

In this new market environment, community services in Australia lose block funding and are having to compete with other providers at a time of unprecedented demand and pressures on the workforce. While the person-centred planning movement encouraged the use of individual budgets, the two are not synonymous.

This review seeks first, to identify the nature of person-centred services, prior to considering the nature of the struggles organisations are facing and the success factors for producing better client outcomes. Given Australia is only just moving into this bold new era it should be noted that much of the evidence used in this review is drawn from other jurisdictions.

Key elements of person-centred services

The need for person-centred services responding to individual needs emerged in the intellectual disability field during the 1980s spearheaded by John and Connie Lyle O'Brien[80]. In their work on person-centred planning for people with intellectual disability they advocated for all people, regardless of their disability, to have a good life in the community based on principles of: respect; honouring the person's voice and those who know the person best; removing de-personalising labels; developing competencies; increasing choice; building relationships; reducing social isolation and building friendships; increasing preferred activities; individualising supports based on high expectations; and service providers being responsive to individual needs.

The burgeoning adoption of the term across human services, in health, allied health, medical, nursing, social service and other areas has produced multiple interpretations which can create confusion and miscommunication. Waters and Buchanan (2017) from Curtin University reviewed over 500 national and international documents discussing person-centred services and identify seven core embedded themes[81] (see Figure 3).

[79]Duffy, S. & Sly, S. (2017) *Progress on Personalised Support: Results of an international survey by Citizen Network*, Centre for Welfare Reform: http://www.centreforwelfarereform.org/uploads/attachment/586/progress-on-personalised-support.pdf (last accessed 18th Jan, 2018).
[80] O'Brien, C. L. & O'Brien, J. (1999) *The Origins of Person-Centered Planning: A Community of Practice*

Perspective, USA: http://files.eric.ed.gov/fulltext/ED456599.pdf (Last accessed 18th Jan, 2018).
[81]Waters R A& Buchanan A (2017). An exploration of person-centred concepts in human services: A thematic analysis of the literature. *Health Policy, 121*, pp.1031–1039.

Figure 3: Concepts of person-centred services (Waters & Buchanan 2017:1031)

| honour the person | relationship | compassionate love | strengths/ capacity focused | social inclusion/ citizenship | participation and engagement | aligned organisational characteristics |

The themes Waters and Buchanan's (2017) identify correspond closely with ideals presented by O'Brien and O'Brien, but with an additional of a focus on 'organisations'. This has possibly been added because research is showing that organisations are struggling to provide person-centred services[82].

Person-centred services in Victoria

Victoria has been a leader in promoting the concepts of person-centred services listed above to guide services and in promoting individual funding programs, with disability services leading the way. The State Government commissioned the Association of Children with Disability to produce a series of guides titled *Family-Centred Person-Centred Practice: A Guide for Everyday Practice and Organisational Change* (2012)[83]. In addition to this general guide, specific guides were produced for community service managers and governance bodies, early intervention services, school staff, private clinicians, case managers and disability support workers.

Victoria was also a leader in promoting person-centred services through individual funding programs with *Futures for Young Adults* and *Support & Choice*[84] being ground breaking programs.

Contemporary challenges concerning the increased incidence of mental health problems, domestic violence and child protection reports have led to new strategies to implement person-centred services. These are not individually funded and pay particular attention to the needs of Aboriginal families who are disproportionally impacted[85]. Emphasis is being placed on a 'whole-of-community' response, comprehensive needs and risk assessments, services that work together to meet needs and address risks, coordinated responses and tailored and effective interventions.

National trends

The National Disability Insurance Scheme (NDIS) and Consumer Directed Care (CDC) in aged care are widely quoted as the most significant service delivery changes Australia

[82]Duffy, S & Sly, S (2017). *Progress on Personalised Support: Results of an international survey by Citizen Network*. Centre for Welfare Reform. http://www.centreforwelfarereform.org/uploads/attachment/586/progress-on-personalised-support.pdf (last accessed Jan 18th, 2018); Laragy C & Allen J (2015). Community aged care case managers transitioning to consumer directed care: more than procedural change required. *Australian Social Work, 68*(2), pp212–227.
[83] Department of Human Services and Department of Education and Early Childhood Development. (2012) *Family-centred, person-centred: a guide for everyday practice and organisational change*: State Government of Victoria, Melbourne.
[84] LIME Management Group. (2005) *Evaluation of Support & Choice Implementation. A report for the Victorian*

Department of Human Services, http://www.google.com.au/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKEwjrquChyOLYAhXJNJQKHZ5DCX8QFggmMAA&url=http%3A%2F%2Fwww.limegroup.net.au%2Fdownload%2Fi%2Fmark_dl%2Fu%2F4011969127%2F4596764052%2FLIME%2520Evaluation%2520of%2520Support%2520and%2520Choice%2520Implementation.pdf&usg=AOvVaw38d5FtR7HROPdXYJw83r30 (Last accessed 19th Jan, 2018)
[85] State of Victoria Department of Health and Human Services. (2016) *Roadmap for Reform: strong families, safe children; The first steps*, http://www.strongfamiliessafechildren.vic.gov.au/roadmap-for-reform-strong-families-safe-children, (Last accessed 19th Jan, 2018)

has experienced in a generation. Both use individual funding to promote person-centred services and the impact of these deserves some attention.

These schemes offer flexibility and encourage people to purchase services from big national and international for-profit businesses and small boutique agencies in addition to traditional and not-for-profit community services[86]. There are concerns from some community providers that they may not be able to compete successfully, especially with low unit cost payments that threaten their viability. A related concern is that new precarious working conditions are being imposed on support workers who often work across the aged care and disability sectors[87] in part-time and casualised positions earning under a decent wage[88] (*see* also Kyle, MacDonald and Bentham, this volume). Looking back at the Waters and Buchanan model it can be seen how national trends can impact upon organisational responses which impact their capacity to deliver person-centred services (see Figure 1). So, are there any success factors in achieving person-centred services? These are considered below.

Success factors

In *Flexible person-centred funding models* (*see* Laragy, this volume), an overview of person-centred models and conditions for successful outcomes is provided. The chapter argued that successful outcomes are possible when people receive adequate funding, have access to information and support to make informed decisions, and appropriate services and workforce are available to purchase. These factors are examined below in more detail.

There are heated debates as to how information and advice should be provided to promote choice and control[89]. Some UK disability advocates want the role of paid staff to be reduced because they believe they always dominate and remove people's choice and control. These advocates want resources to be used to build the capacity of people and their family members so that they can develop their support plans and self-direct their services. However, most schemes require the person to develop a plan with an 'overseeing authority'.

There are heated debates as to how information and advice should be provided to promote choice and control.

There are debates about the need for staff who provide information and planning assistance to be independent of service providers[90]. Some critics doubt that providers and their staff can look beyond the limits of their own service provision, be this subconsciously or overtly. The NDIS has separated planning from service

[86]Mavromaras, K., Moskos, M. & Mahuteau, S. (2016) *Evaluation of the NDIS, Intermediate Report*, Adelaide: https://www.dss.gov.au/disability-and-carers/programs-services/for-people-with-disability/national-disability-insurance-scheme/ndis-evaluation-intermediate-report. (last accessed 18th Jan, 2018).
[87]National Disability Services (2017) *Australian Disability Workforce Report*, Sydney: https://www.nds.org.au/news/australian-disability-workforce-report-first-edition-released (last accessed 18th Jan, 2018).
[88] Cortis N, Macdonald F, Davidson, B & Bentham, E (2017) *Reasonable, necessary and valued: Pricing disability services for quality support and decent jobs.*

Sydney: https://www.sprc.unsw.edu.au/media/SPRCFile/NDIS_Pricing_Report.pdf (Last accessed 19th Jan, 2018).
[89] Dowson, S. & Greig, R. (2009) 'The Emergence of the Independent Support Broker Role', *Journal of Integrated Care,* 17: 4, pp.22-30.
[90] Dowson, S & Duffy, S (2011). Head to head: Do we need independent brokers? http://www.communitycare.co.uk/2011/10/13/head-to-head-do-we-need-independent-brokers/#.UtX8KTAyZ8F (Last accessed 19th Jan, 2018).

coordination and provision, while CDC has combined the two roles.

In short, differing organisational approaches will differentially impact other person-centred outcomes. However, without longitudinal studies it is difficult to appraise relative outcomes of the differing approaches.

International evaluations and national studies of the National Disability Insurance Scheme (NDIS) and Consumer Directed Care (CDC) in aged care have identified several success factors that facilitate person-centred services[91]. These are:

- information provided in culturally appropriate and accessible formats
- support provided for the person to make decisions in ways appropriate to the his/her cognitive, physical, cultural and social needs
- the person actively participating in decision making to their maximum ability
- planners/coordinators/case managers working from empowerment principles and being willing to share power and control, be responsive to needs and aspirations, and work creatively and flexibly
- adequate funding
- suitable services and workforce being available.

Guides exist to assist people to self-direct and self-manage individual funding show how a person-centred approach can be

implemented in an individual funding environment[92]. Success factors in a range of sectors are discussed below.

Health

Health and social care are increasingly being combined in policy in several European countries. In this approach a personal health budget is provided to people with complex medical and social needs, so they can continue to live at home and avoid moving to residential care. Personal health budgets combine health and social support funding. Evaluations in the Netherlands and in the UK identified success factors as:

- skilled staff assisting with planning and with purchasing supports
- skilled support workers capable of responding to complex social and health needs[93].

This may be at odds with downward pressure on wages presently being experienced in the NDIS and CDC Australia.

The Australian Productivity Commission[94], noted that Australian clinicians seem to show little interest in adopting a person-centred approach. They drew on limited Australian studies and extensive international research and concluded that better outcomes can be achieved at lower

[91] Dickinson, H (2017)' Individual funding systems: What works?', *Evidence Base,* 3, pp.1-18; Laragy, C., Fisher, K. R., Purcal, C. & Jenkinson, S. (2015) 'Australia's Individualised Disability Funding Packages: When Do They Provide Greater Choice and Opportunity?', *Asian Social Work and Policy Review*, 9, pp.282–292; Laragy, C., David, C. & Moran, N. (2016) 'A framework for providing information in individualised funding programmes', *Qualitative Social Work*, 15: 2, pp.190-208; Fox, A. & Parkin, T. (2017) *Gathering the Evidence: Making Personal Budgets Work for All*, Think Local Act Personal, England
[92]Laragy, C., Fisher, K. R., Purcal, C. & Jenkinson, S. (2015) 'Australia's Individualised Disability Funding Packages: When Do They Provide Greater Choice and

Opportunity?', *Asian Social Work and Policy Review*, 9, pp.282–292.
[93]Van Ginneken, E., Groenewegen, P. P. & McKee, M. (2012) 'Personal healthcare budgets: what can England learn from the Netherlands?', *BMJ*, 344, e1383, NHS England: https://www.england.nhs.uk/personal-health-budgets/; Beresford, P., Fleming, J., Glynn, M., Bewley, C., Croft, S., Branfielde, F. & Postle, K. (2011) *Supporting People: Towards a person-centred approach*, The Policy Press: Bristol.
[94] Productivity Commission (2017) *Shifting the Dial: 5 Year Productivity Review*, Supporting Paper No. 5, Canberra: https://www.pc.gov.au/inquiries/completed/productivity-review/report/productivity-review.pdf. (Last accessed Jan 18th, 2018).

costs in personalised and integrated care when people:

- are consulted and have power as co-contributors to health decisions
- have more information
- 'own' their medical records and can add to them; and
- when systems are co- designed.

Of particular note was the US Kaiser Permanente person-centred health model which produced better health outcomes at lower costs for people of all ages living at home, including those with complex social and medical conditions[95]. Intensive case management was found to be a key factor in producing these positive outcomes.

In the UK, austerity measures limited personal health budgets to the minimal amount already allocated for health and social care support. While flexible purchase of equipment, therapies and personal care achieved positive outcomes[96] it was limited in that:

- traditional recruitment strategies were ineffective in finding the skilled workers –local networks such as schools, community groups and personal contacts were better
- informal carers were burdened by administrative demands when support was inadequate
- essential collaborative planning across health, social care, and community services proved difficult because of different

organisational cultures and procedures.

Integrated approaches across health and social service sector are becoming more popular elsewhere. They would add further complexity in the Australian community sector if introduced here.

Aged care

Aged care support under the US *Cash & Counseling* program[97] and the associated projects were not siloed into sectors as occurs in Australia. Some projects supported people of all ages with all types of disabilities and needs. Participants were supported to self-direct their funds and employed their support workers, or had a family representative act on their behalf. Separate programs were conducted across 15 states that assisted older people as well as children, people with intellectual, physical and mental health disabilities. A series of randomised control evaluation trials were undertaken that produced clear evidence of person-centred individual funding programs producing positive outcomes under certain conditions.[98] Key success factors were:

- providing all necessary assistance required;
- flexibility in recruiting support workers to meet individual needs; and
- purchasing services from the open market.

The Australian aged care sector, which is using individual funding in Consumer Directed Care (CDC) to provide more person-centred services, has found that

[95]ibid.

[96]Forder, J., Jones, K., Glendinning, C., Caiels, J., Welch, E., Baxter, K., … Dolan, P. (2012) *Evaluation of the personal health budget pilot programme*, PSSRU University of Kent: Canterbury.

[97]Carlson, B. L., Foster, L., Dale, S. B. & Brown, R. (2007) 'Effects of cash and counseling on personal care and well-being', *Health Services Research*, 42: 1; II, pp.467-487

[98]San Antonio, P., Simon-Rusinowitz, L., Loughlin, D., Eckert, J. K., Mahoney, K. J. & Ruben, K. A. D. (2010) 'Lessons from the Arkansas cash and counseling program: How the experiences of diverse older consumers and their caregivers address family policy concerns', *Journal of Aging and Social Policy*, 22: 1, pp.1-17

case managers' attitudes can be a barrier to providing more flexible person-centred services. Some staff believed that they already worked in person-centred ways and they did not need to change[99].

Organisational cultures and attitudes created person-centred services, not funding mechanisms, a finding also identified in a major UK study[100]. The aged care studies reviewed reinforce earlier findings that person-centred services can produce successful outcomes if people have adequate funding, support and information to make informed decisions, and staff who are empowering and facilitating.

Disability

The disability sector has arguably led the move to person-centred services and research findings from this sector disproportionately contribute to the evidence (see *Flexible person-centred funding models,* this volume*).* Evaluations of the NDIS are now adding to the body of knowledge in disability. An early qualitative and quantitative evaluation of the NDIS showed that this complex innovation is achieving a range of positive outcomes while facing implementation challenges[101]. While the evaluation records outcomes and challenges, it does not explicitly identify person-centred service approaches that led to these positive outcomes. These have to be deduced from the data provided.

Positive outcomes compared to previous service delivery
Detailed research showed that:

- participants had greater choice and control over supports
- there was increased flexibility to meet individual needs, including better access to therapies and better equipment
- 49.5% of participants had improved service quality, 35.5% had no change, and things got worse for 15%.

Overall, NDIS services enabled greater independence and less reliance on family members for support. Most participants and their families had more choice and independence and improved wellbeing. However, the limitations reported are a concern. More research is needed given the media and user groups reports that the lives of many people have not improved.

Concerns
Concerns about NDIS processes and outcomes were:

- poor communication between participants and disability service providers
- rigid NDIS structures and systems
- complex structures and procedures that vulnerable participants who lacked education struggled to understand
- problems accessing supports
- services unavailable in rural and remote areas
- some support workers providing poor quality services.
- some people were unable to advocate for themselves,

[99]Laragy, C. & Allen, J. (2015) 'Community aged care case managers transitioning to consumer directed care: more than procedural change required', *Australian Social Work*, 68: 2, pp.212–227
[100]Beresford, P., Fleming, J., Glynn, M., Bewley, C., Croft, S., Branfielde, F. & Postle, K. (2011) *Supporting People: Towards a person-centred approach*, The Policy Press: Bristol

[101]Mavromaras, K., Moskos, M., & Mahuteau, S. (2016) *Evaluation of the NDIS, Intermediate Report*, Adelaide: https://www.dss.gov.au/disability-and-carers/programs-services/for-people-with-disability/national-disability-insurance-scheme/ndis-evaluation-intermediate-report (Last accessed Jan 18th, 2018).

including people with intellectual and psychosocial disability, receiving lower levels of service and comparatively poorer outcomes

- older NDIS participants were more likely to have unmet needs
- some people with psychosocial disability had supports reduced, and others who previously attended group-based services become isolated because services were defunded
- carers received less support
- people who were ineligible for the NDIS received no support.

Service providers expressed concerns that NDIS pricing levels were too low to deliver personalised quality services for one-to-one community participation, mental health services, group services and services for people with complex needs. There was increased provider merger and acquisition activity, with some providers exiting the sector. Additionally, there are workforce skill shortages as demand has increased. Support workers had more casual and poorly paid support work and lacked training opportunities.

Additionally, there are workforce skill shortages as demand has increased.

Further work is needed to find ways to address these concerns and UK studies[102] suggest the sector needs to:

- provide support to maximise peoples' choice and control
- reach out to and support all marginalised and vulnerable people who find service systems complex and bewildering
- simplify systems as much as possible to be use friendly
- lobby for services for people ineligible for the NDIS
- train all staff to communicate in empowering and supportive ways
- train support workers to work in empowering and supportive ways
- find innovative ways of providing services in rural and remote areas
- lobby for adequate funding to meet peoples' needs and pay workers a decent wage.

It can be deduced that the NDIS and other services wishing to be person centred need to: provide better communication, especially for those who cannot advocate; reduce complexity and bureaucracy; increase the quality of services and supports; address the needs of cares; and provide budgets that sustain support services with attention given to thin markets. The NDIS poses a real problem to organisations that attempt to provide person centred to vulnerable people who are assessed as ineligible or given inadequate budgets. Government policies can limit the extent to which person-centred approaches can be achieved.

[102]Hamilton, S., Tew, J., Szymczynska, P., Clewett, N., Manthorpe, J., Larsen, J. & Pinfold, V. (2016) 'Power, Choice and Control: How Do Personal Budgets Affect the Experiences of People with Mental Health Problems and Their Relationships with Social Workers and Other Practitioners?', *British Journal of Social Work*, 46: 3, pp.719-736.

Conclusion

Reflecting on the studies reviewed for this chapter it is apparent that many used a collaborative, action research approach. This incorporates person-centred values by involving service users in the design and implementation of the research. Clearly there is widespread acceptance of person-centred values.

The evidence shows that successful outcomes in person-centred funding can be achieved if people have adequate funding as well as information and support to make informed decisions, there are appropriate services to purchase, and a skilled workforce is available. The seven themes that Waters and Buchanan (2017) identified provide a useful framework for providers when implementing person-centred services. The success factors and wider systemic limitations have been highlighted in this review and provide valuable information about implementing person-centred services.

The research reviewed was often derived from overseas research studies that were short-term, small scale and operationalised in markedly different policy environments. There is a clear need to conduct more longitudinal qualitative and quantitative studies to fill the gaps identified above to determine what factors lead to successful outcomes in the context of Australia's person-centred services.

CHAPTER FOUR
Workforce of the future for Community Services Industry Plan

Louise Kyle, Fiona Macdonald and Eleanor Bentham

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Introduction

Multiple changes in the broader world of work, in combination with changing demand, and transformed governance, funding and service provision in the community services industry, are likely to present significant challenges to building a sustainable and strong community services industry with a skilled and responsive workforce. In this evidence review a short description of relevant global and national trends in work and public policy is followed by an overview of some of the key workforce issues for the industry relating to: labour demand and supply; the organisation of work and the nature of jobs; and skills and training.

Global and national trends

Work and employment

Across advanced economies including Australia, there are large numbers of people unemployed and underemployed and there are high proportions of working age people—mainly women—who are not in the paid workforce[103]. At the same time there are labour supply and demand mismatches, in regard to skills. Skilled workers are unable to find jobs, and employers arguing they are unable to fill skilled vacancies. This affects location and fuels migration for work into both high-and low-skilled employment[104]. There is also a polarisation of job opportunities, with young and less educated people most vulnerable[105]. For a significant proportion of middle and low-income households, market incomes have stagnated or fallen as the share of national incomes, that is, pay to workers has declined, despite productivity increases[106]. Population ageing is creating problems of labour replacement as high proportions of workforces retire. Ageing populations are also increasing growth in demand for support and care services for the old and the very old[107].Globally there is much greater mobility for work, raising concerns for the rights and welfare of migrant workers with temporary status, as well as concerns about the use of

[103]United Nations (2015) *World's Women: Trends and Statistics 2015*, United Nations: New York.
[104] Dew, A., Gilroy, J. & Lincoln, M. (2016) *A Sustainable Rural and Remote Workforce for Disability: Research to Action Guide, Rapid Review*, Centre for Applied Disability Research: www.cadr.org.au (last accessed 5 November 2011); European Commission (2016) *Research on Migration: Facing Realities and Maximising Opportunities: A Policy Review*, European Commission: Brussels; Rolfe, H., Rienzo, C., Lalani, M. & Portes, J. (2013) *Migration and Productivity: Employers' Practices, Public Attitudes and Statistical Evidence*, National Institute of Economic and Social Research, London.
[105]ILO (International Labour Organisation) (2016a) *Non-Standard Employment around the World: Understanding Challenges, Shaping Prospects*, ILO: Geneva; Kalleberg, A.

L. (2011) *Good Jobs, Bad Jobs: The Rise of Polarized and Precarious Employment Systems in the United States 1970s to 2000s*, Russell Sage Foundation: New York; OECD (2016) *Investing in Youth: Australia*, OECD Publishing: Paris.
[106] OECD 2017b. *Making Globalisation Work: Better Lives for All*, Key issues paper for the Meeting of the OECD Council at Ministerial Level, Paris, 7-8 June. OECD, Paris.
[107] MGI (McKinsey Global Institute) (2017) *Briefing note for the Fortune Vatican Forum December 2016*, update May 2017, McKinsey and Company: https://www.scribd.com/document/354361488/MGI-Future-of-Work-Briefing-Note-May-2017, (Last accessed Jan18th, 2018).

temporary migrant labour putting downward pressure on wages and working conditions[108].

'Soft skills' (e.g. the ability to work in teams, problem-solve, communicate) are likely to continue to grow in importance[109]. Investment in new technology applications is leading to the emergence of new skills demands and new work roles. This may facilitate more flexible working arrangements and possibly more fragmented and precarious working arrangements, such as in the so-called 'gig' economy, where rapid growth in on-demand service provision has seen a growth in on-call labour[110].

Investment in new technology applications is leading to the emergence of new skills demands and new work roles.

A long-standing trend of 'hollowing out' of the workforce, with a decline in middle-range jobs and growth at the top and bottom of the earnings distribution is continuing in many advanced economies[111]. At the same time, in Australia and elsewhere stagnation in wages growth is most significant for those in the lowest-earnings deciles[112].

Changes in the nature of employment relationships are also a global phenomenon; with such changes evident in many advanced economies. The male breadwinner 'standard' employment arrangement of full-time continuous employment with a single employer—while never the norm for women nor for community services employment—is the basis for most employment protections and benefits[113]. Over the last 30 years changes in the organisation of work arising from a wide range of factors have seen a growth in employment that is more short-term and insecure, and increasingly mediated through commercialised arrangements in which the employer is a less visible entity and the attribution of responsibilities is less clear[114].

Changes in work in Australia are similar to broader trends across developed economies, with increased shorter-hours work and more insecure work. There has been an increase in work mediated by labour hire and other 'third party' agencies, with the claimed status of these labour market actors as neither employers nor service providers in their own right currently a highly contested matter (for example platform or 'gig economy' operators). Currently over 30% of employees in

[108]Commonwealth of Australia (2016) *A National Disgrace: The Exploitation of Temporary Work Visa Holders*, Senate Employment References Committee, Parliament of Australia: Canberra; Dew, A., Gilroy, J. & Lincoln, M. (2016) *A Sustainable Rural and Remote Workforce for Disability, Research to Action Guide, Rapid Review*, Centre for Applied Disability Research: www.cadr.org.au (accessed 5 November 2011); European Commission (2016) *Research on Migration: Facing Realities and Maximising Opportunities: A Policy Review*, European Commission: Brussels; Green, A, Atfield, G. & Purcell, K. (2016) 'Fuelling displacement and labour market segmentation in low-skilled jobs? Insights from a local study of migrant and student employment', *Environment and Planning*, 48: 3, pp.577-593.
[109] OECD (2017a) 'Going digital: The future of work for women', *Policy Brief on the Future Of Work*, July, OECD: Paris
[110] De Stefano, V. (2016) 'The rise of the 'just-in-time workforce': On-demand work, crowd work and labour protection in the 'gig economy'', *Conditions of Work and*

Employment Series, 71: 1, International Labour Organisation: Geneva; Stanford, J. (2017) 'The resurgence of gig work: Historical and theoretical perspectives', *Economic and Labour Relations Review*, 28: 3, pp.382-401.
[111] Chalmers J and Quigley M 2017.*Changing Jobs: The Fair Go in the New Machine Age*, Redback Quarterly, p.41.
[112]OECD (2017b) *Making Globalisation Work: Better Lives for All*, Key issues paper for the Meeting of the OECD Council at Ministerial Level, Paris, 7-8 June, OECD: Paris; Watson, I. (2016) 'Wage inequality and neoliberalism: The Australian experience', *Journal of Industrial Relations,* 58: 1, pp.131–149.
[113]Vosko, L. (2010) *Managing the Margins: Gender, Citizenship, and the International Regulation of Precarious Employment,* Oxford University Press: Oxford.
[114]ILO (International Labour Organisation) (2016a) *Non-Standard Employment around the World: Understanding Challenges, Shaping Prospects*, ILO: Geneva.

Australia work part-time[115] and one in five are employed on a casual basis[116]. Self-employed contractors represent about nine per cent of the workforce[117].

Overall, adequate investment in and access to necessary training and re-training are issues for Australia[118]. Gender inequality and gender segmentation persist within Australia's paid workforce and women continue to be over-represented in lower-paid areas of the labour market, concentrated in under-valued female-dominated occupations and under-represented in management and leadership roles[119]. Women continue to be the primary carers in Australia. They spend twice as much time on childcare than men. Twice as many women as men provide primary care to a person with a disability and 40% of these women are managing paid work and care responsibilities with over 13% employed full-time and 27% part-time[120].

Public policy and community and social services

Underlying diverse changes in developed economies' funding and provision of social and community services are some strong general trends. Key among these trends are the retreat of the public sector from direct service provision, an increase in outcomes-based funding, and increased personalisation and market-based funding, including in long-term social care[121].

Personalised support and care systems operationalised through individualised funding in deregulated competitive markets present strong challenges to community service organisations' capacity to plan, manage and invest in their workforces. Under these service models, service providers have to take on greater responsibility for outcomes, with these outcomes more closely aligned to consumer choices and behaviour in the market (less purpose-driven). Funding arrangements lead to a new focus on value for money and on overall cost[122]. This demand-driven, client-centred focus in a more competitive environment requires an evidence base (and thus data and research), and it requires communications and marketing capacity to help attract clients.

Personalised support and care systems operationalised through individualised funding in deregulated competitive markets present strong challenges to community service organisations' capacity to plan, manage and invest in their workforces.

[115] ABS (Australian Bureau of Statistics) (2017b) *Labour Force, Australia, September 2017*, Cat. no 6202.0, ABS: Canberra.

[116] ABS (Australian Bureau of Statistics) (2016) *Characteristics of Employment, Australia, August 2016*, Cat. no 6333.0. ABS, Canberra.

[117] ibid

[118] ILO (2016b) 'Social Contract and the Future of Work: Inequality, income security, labour relations and social dialogue', *The Future of Work Centenary Initiative*, no. 4 Issue Note Series, ILO: Geneva; ILO (2017) *The Future of Work we Want: A Global Dialogue*, ILO: Geneva; Productivity Commission (2011) *Education and Training Workforce: Vocational Education and Training*, Productivity Commission: Canberra.

[119] WGEA (Workplace Gender Equality Agency) (2017) *Facts Sheets and Statistics*: https://www.wgea.gov.au/fact-sheets-and-research-reports/fact-sheets-and-statistics (accessed 14 October 2017).

[120] ABS (2017a) *Gender Indicators, Australia, September 2017*, Cat. no 4125.0, ABS: Canberra.

[121] Davidson, B. (2009) 'For-profit organisations in managed markets for human services', Ch. 3 in King, D. & Meagher, G. (eds) *Paid Care in Australia: Politics, Profits, Practices*, Sydney University Press: Sydney, pp.43-79; Simonazzi, A. (2009) 'Care regimes and national employment models', *Cambridge Journal of Economics*, 33, pp.211–232.

[122] Cunningham, I., Baines, D. & Charlesworth, S. (2014) 'Government funding, employment conditions, and work organisation in non-profit community services: a comparative study', *Public Administration*, 92: 3, pp.582–598.

Overall the demands of an increasingly complex services system together with challenging external policy, funding and regulatory environments suggest the need for highly-skilled and committed community services leaders and managers. The challenges of developing, implementing and sustaining organisations that are able to adapt and respond to demands to offer integrated, person-centred services while meeting equity objectives are many. Skilled workers in frontline professional and service roles and, critically, in supervisory roles, will be needed to underpin the adoption of best practice. Reflecting public health models, a stronger focus on prevention and on service integration, for example in family support and child protection, are also factors driving the need for an educated workforce, able to engage in critical thinking and adapt to change and engage in ongoing learning and development.

Overall the demands of an increasingly complex services system together with challenging external policy, funding and regulatory environments suggest the need for highly-skilled and committed community services leaders and managers.

These and other demands point to a need for greater investment in training, experimentation, and data collection and analysis to establish stronger evidence

bases, enable innovation, increase productivity and diversify revenue. However, in competitive service markets, and with governments seeking better returns on investment, there are also strong pressures to minimise costs and multiple pressures on funding for such investment. Equity of access to quality services is a key issue for populations in rural and remote areas[123]. In Australia these populations are generally older than in the cities, have average incomes that are lower and have higher health risks and rates of disease and injury[124].

There may be new opportunities for collaborative and cooperative models including mergers, joint ventures, partnerships and social enterprises between different groups including for consumer mutuals and worker co-operatives and social franchises. However, establishing and sustaining these organisations requires investment in innovation and organisational capacity.

The community services workforce of the future

Labour supply and demand

The not-for-profit community services industry in Victoria employed over 150,000 people in 2015[125], making up about 40% of the larger 'Health Care and Social Assistance' industry. Many more women are employed in the community services than men, with women representing about four in every five workers in most industry sub-sectors[126]. The broader Health Care and Social Assistance industry, already the largest industry in Victoria, is projected to

[123]Dew, A., Gilroy, J. & Lincoln, M. (2016) *A Sustainable Rural and Remote Workforce for Disability, Research to Action Guide, Rapid Review,*')(:, Centre for Applied Disability Research www.cadr.org.au (accessed 5 November 2011); European Commission (2016) *Research on Migration: Facing Realities and Maximising Opportunities: A Policy Review*, European Commission: Brussels

[124]ibid, p.4; AIHW (Australian Institute of Health and Welfare) (2008) 'Rural, regional and remote health: indicators of health system performance', *Rural Health Series No. 10*, Cat. no. PHE 103, AIHW: Canberra.
[125]VCOSS (2017) *A Growing Industry: A snapshot of Victoria's community sector charities*, VCOSS: Melbourne.
[126]Martin, B. & Healy, J. (2010) *Who works in Community Services?*, Flinders University: Adelaide.

increase its share of all employment and to be the strongest contributor to employment growth in the state in the coming years, accounting for almost a quarter of all projected employment growth to 2020[127].

Expansion of the community services industry is being driven by multiple factors including population growth, the needs of an ageing population, and expansion of disability support services under the NDIS, as well as increased labour force participation by middle-aged and older cohorts of women that is likely to reduce the availability of informal or family carers. Another factor underlying strong demand for new workers to the industry is the need to replace retiring workers in what is a relatively aged workforce[128].

While there is likely to be demand for workers at all skills levels over the coming years, a significant proportion of new jobs in community services will be in the lower-paid and (mostly) part-time direct service roles, reflecting projected demand for direct care workers[129]. Workforce shortages are likely to be a problem in some occupations, with demand and supply mismatches being contributing factors. Such shortages are evident now in rural and regional areas where there are inadequate workers with specialised skills required for the disability and aged community care and support sectors[130]and also some childcare roles.

Tapping into labour sources from population groups that have traditionally been underrepresented in the community services workforce presents an opportunity for the industry; including for older men, young people and people with disabilities.

Continuing slack in the labour market, particularly affecting young people and lower-skilled workers, is likely to see an ongoing supply of labour for lower-paid jobs in the industry. However, due to the nature of much of the work on offer (see below), there may also be very high turnover. It is likely there will be ongoing pressures to address labour shortages—in lower-paid care roles in particular—by increasing the supply of workers available through temporary migrant labour schemes as was recently recommended by the Productivity Commission[131]. If these workers are unskilled, this potentially brings a whole new set of problems for service quality as well as for the safety and well-being of the workforce in the less regulated context of a competitive market, at least in personalised services (such as community care and disability support)[132]. Tapping into labour sources from population groups that have

[127] Department of Employment (2017) *Regional Projections to November 2020*: http://lmip.gov.au/default.aspx?LMIP/GainInsights/EmploymentProjections, (Last accessed 18th Jan, 2018)
[128]Meagher, G & Cortis, N. (2009) 'The political economy of for-profit paid care: Theory and evidence' in King, D. & Meagher, G. (eds) *Paid Care in Australia: Profits, Purpose, Practices*, Sydney University Press: Sydney.
[129] Meagher, G & Cortis, N. (2009) 'The political economy of for-profit paid care: Theory and evidence' in King, D. & Meagher, G. (eds) *Paid Care in Australia: Profits, Purpose, Practices*, Sydney University Press: Sydney.
[130] Mavromaras, K., Moskos, M., & Mahuteau, S. (2016) *Evaluation of the NDIS: Intermediate Report*, National

Institute of Labour Studies, Flinders University: Adelaide, p.31; Productivity Commission (2017) *National Disability Insurance Scheme (NDIS) Costs*, Study Report, Productivity Commission: Canberra, p.270
[131] Productivity Commission (2017) *National Disability Insurance Scheme (NDIS) Costs*, Study Report, Productivity Commission: Canberra, p.57.
[132] Cortis, N., Macdonald, F., Davidson, B., & Bentham, E. (2017). *Reasonable, necessary and valued: Pricing disability services for quality support and decent jobs.* SPRC Sydney: https://www.sprc.unsw.edu.au/media/SPRCFile/NDIS_Pricing_Report.pdf (last accessed 18th Jan, 2018).

traditionally been underrepresented in the community services workforce presents an opportunity for the industry; including for older men, young people and people with disabilities.

The organisation of work and the nature of jobs

Currently fewer than half of all jobs in the community services industry are full-time (45%) and, along with a high rate of part-time employment (33%), there is a high rate of casual employment (45%)[133]. While professional occupations predominate in some sub-sectors, in others the vast majority of employees are engaged in lower-paid roles, including many of the direct support roles.

…the vast majority of employees are engaged in lower-paid roles, including many of the direct support roles.

Public policy initiatives in areas such as disability, aged care, family violence, family support and child protection are likely to generate a variety of divergent trends in work and employment in the community services sector. However, key drivers, including personalisation, will probably result in increased short-hours casual employment, as is evident in recent changes in the disability workforce[134]. There is also a significant risk that the lower-paid direct support jobs may be characterised by a lack of career paths under individualised funding

models. The application of predictive analytics for service scheduling may drive a trend to more 'just-in-time' labour in direct service provision.

For many of the industry's workers, other aspects of their jobs compensate for relatively low pay. For example, compared to women across the broader workforce, generally, community services workers are more likely to value the intrinsic aspects of their jobs. Nevertheless, some also express dissatisfaction in regard to pay and, to a lesser extent, job security[135].

Job design and job quality are likely to be affected in variety of ways by the increased deployment of technology in the community services industry. For example, research in England on disability support work finds that technology is used both to improve workers' access to client-specific information but also to more closely monitor workers' time-use in service provision, reduce periods of work that are paid, and enable more last-minute shift scheduling[136].

There may be some potential through the development of new partnerships and business models to address some of issues concerning job quality. For example, cooperatives are emerging to address concerns about job quality, labour practices and quality of services[137].

Skills and training

In general, employees in the industry are well educated and have skills appropriate to their roles[138]. However, sector capacity to invest in training is limited. New skills demands are being driven by new policy frameworks, new funding and service

[133] VCOSS (2017) *A Growing Industry: A snapshot of Victoria's community sector charities*, VCOSS: Melbourne, p.9; see also, Martin, B. & Healy, J. (2010) *Who works in Community Services?*, Flinders University: Adelaide.
[134] NDS (National Disability Services) (2017) *Australian Disability Workforce Report*, National Disability Services, Deakin West: ACT, p.22.
[135] Martin, B. & Healy, J. (2010) *Who works in Community Services?*, Flinders University: Adelaide.

[136] Hayes LJB and Moore S 2016.Care in a time of austerity: The electronic monitoring of homecare workers' time, *Gender, Work and Organisation*, 24(4): 329–344.
[137] Lenore, M., Esim, S., Maybud, S. & Horiuchi, S. (2016) *Providing Care through Cooperatives: Survey and Interview Findings*, ILO: Geneva.
[138] Martin, B. & Healy, J. (2010) *Who works in Community Services?*, Flinders University: Adelaide.

provision models, new regulatory requirements and new responses to risk, including through increased and changing consumer expectations, market pressures and increased accountability for safety, quality and outcomes (on outcomes see Andrews, this volume).

New work roles are likely to arise out of new applications of technology, including service and workforce systems roles, and data management and analysis more generally. Upskilling is necessary in areas such as customer service, business and technology. There is a need for stronger skills and capacity to identify and attract new revenue sources and to enter new partnerships and agreements. A stronger skills base is also required in relation to data collection, management and in ICT data analytics. There are also regulatory implications associated with increased adoption of digital technologies to learn about and manage (*see* Karanasios, this volume).

The community services sector faces the challenge of attracting and retaining new entrants to a relatively low-paid industry that also may offer limited opportunities for training and development, and thus limited scope for career pathways and higher-paid work. Current trends may increase these challenges as funding models have introduced new barriers to industry investment in training, greater pressure for flexible work models and greater pressure for efficiency and the minimisation of labour costs, all of which have the potential to degrade jobs. For example, under the NDIS, there is emerging evidence that individualised funding, uncertainty of

funding and the low set price for support services are contributing to demands for greater working time flexibility, and a more casualised workforce, as well as to a reduction in workplace-based training and career progression[139].

The community services sector faces the challenge of attracting and retaining new entrants to a relatively low-paid industry that also may offer limited opportunities for training and development, and thus limited scope for career pathways and higher-paid work.

These types of challenges are not new. In overcoming them to date, the industry has relied to a significant extent on the high value employees place on intrinsic motivation for their work[140]. This may be harder to do in the emerging service provision environments in significant parts of the industry and among the lowest-paid employees in frontline service provision roles. At all levels inadequate resources for training and development may pose a significant barrier to attraction and retention.

New requirements for workers to adapt to cultural change, including to adopt values supporting person-centred service provision (*see* Laragy Person Centred Services, this volume), must be supported by service provision models that train and enable

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[139] Cortis, N., Macdonald, F., Davidson, B., & Bentham, E. (2017).*Reasonable, necessary and valued: Pricing disability services for quality support and decent jobs.* Sydney: https://www.sprc.unsw.edu.au/media/SPRCFile/NDIS_(last accessed Jan 18th, 2018) Pricing_Report.pdf. Mavromaras K, Moskos M, and Mahuteau S, (2016) *Evaluation of the NDIS: Intermediate Report.* National Institute of Labour Studies, Flinders University, Adelaide; NDS (National Disability Services) (2017). *Australian Disability Workforce*

Report. NDS. National Disability Services, Deakin West, ACT. NDS. (2016). *State of the Disability Sector Report 2016*: NDS, Sydney.
[140] Baines, D. (2004) Caring for nothing: Work organisation and unwaged labour in social services. *Work, Employment and Society*, 18,2, pp.267–295. Baines, D., Charlesworth, S., Cunningham, I. & Dassinger, J. (2012) Self-monitoring, self-blaming, self-sacrificing workers: Gendered managerialism in the non-profit sector. *Women's Studies International Forum* 35, 5, pp.362-371.

employees to embed these values in practice. This could prove a significant challenge where there is a strong imperative to minimise costs.

New and better links to, and pathways from, education and training institutions are necessary to engage with young people as potential recruits to the industry. The not-for-profit sector is also well-positioned to benefit from increased opportunities for workforce engagement by people with disability as a potential source of workers. (See case study below).

The need for more systematic research and evidence at this time of flux is vital for future planning in the community services sector as the workforce adapts to a marketised system, to individualisation and to wider contextual factors affecting Australia's workforce more broadly.

Case study – Adult long-term social care workers in the United Kingdom

In general, across developed economies social care workers are fairly low-paid and have relatively poor working conditions[1]. However, in the United Kingdom (UK) and in England in particular, adult social care workers—comprising disability support and aged care workers—have been singled out as a workforce at high risk of experiencing 'below minimum' wages[1]. The English adult social care system shares many features with personalised support in Australia under the NDIS[1], although Australian disability services are not facing the severe underfunding of services that has been experienced in England over a number of years[1]. However, in Australia there are some strong concerns in the disability services sector and emerging evidence that low NDIS prices for day-to-day support are having negative impacts on the workforce, including in relation to training, job quality, working conditions and pay[1]. These trends in relation to the adult social care workforce in England and the UK suggest there are significant workforce and sector risks where there is little incentive for and investment.

Personalisation has been accompanied by increased contestability and outsourcing in England and there has been a significant government retreat from direct service provision[1].Direct support and care workers in the private for-profit and not-for-profit sectors generally have much lower pay and conditions than government employees who are performing the same work[1]. Increasingly social care workers are employed in insecure jobs without certainty of income or hours, with 34 per cent of all social care workers on 'zero hours' contracts, including 56 per cent of domiciliary care workers[1]. These forms of contracts facilitate increasingly short-term scheduling[1] and fragmented hours[1], which contribute to chronic underemployment in the industry. Illegal underpayment of wages has been found to be systemic in the sector[1], with rates highest in home-based support work[1].

At the same time it appears that support workers are working more intensively and doing more unpaid work[1], supporting clients with higher needs and receiving less training and support[1]. The social care workforce has very high turnover rates (around 34%) and providers experience ongoing recruitment problems[1]. Technological innovations have seen tablets, mobile and other phones increasingly deployed for scheduling, recording and monitoring working time and for shifting staff communications to just-in-time remote communications. While some stakeholders have seen changes as facilitating better-quality care[1], research findings have pointed to how technology is being used to support a 'time and task' approach to the work, to 'excise' paid from unpaid working time and to facilitate a 'constantly available 'workforce[1].There have been widespread concern about the quality of social care in England with turnover and pressures on workers' time and lack of training seen as key to many issues with service quality[1].

CHAPTER FIVE
Strengthening outcomes

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Introduction

There is widespread interest in engaging with outcomes across the health and social sectors in Australia and elsewhere. In this regard, it is clear the future of the community sector will be tied to outcomes. Yet, much confusion remains about what outcomes these are, what values inform them and, as a result, what is measured.

Explorations of contemporary research and practice highlight not just a diversity of approaches but rather very disparate responses that reflect fundamentally different and potentially contradictory elements.   Teasing out these disparate approaches has value because it highlights the range of decisions that are 'on the table'; the assumptions that underpin different choices and the challenges of aligning elements of an outcomes framework in a way that supports rather than undermines the intent of taking an outcome focused approach.

Levels of outcomes

Latest writing that informs this plan indicates several approaches that vary, in part, on their motivation in taking on an outcomes focus. Cook[141] (2017) identifies three key motivations for focusing on outcomes:

i) as a mechanism to signal what is important;
ii) to learn and improve; and
iii) to judge and be accountable for the effectiveness of programs and policy initiatives.

Outcomes can be conceived of at different levels, most commonly – personal, service or population. A focus on personal level outcomes can be motivated by a desire to respond to what is important to the individuals themselves. When this is central, the outcomes are identified on an individual basis and are truly personalised. The key question is what is important to this particular person as defined by them in the context of their life[142].

> *The key question is what is important to this particular person as defined by them in the context of their life.*

Some outcomes frameworks might include person level outcomes that are standardised and predetermined rather than personalised and created by or with the individual. Patient reported outcomes measures (PROMS) in the health sphere are an example of a standardised person level outcome measure. Wagle[143] contends that PROMS 'capture quality-of-life issues that are the very reasons that most patients seek care: to address a bothersome symptom, limited function, or ailing mental health'[144].

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[141]Cook, A. (2017) *Outcomes Based Approaches in Public Sector Reform*: http://whatworksscotland.ac.uk/publications/outcomes-based-approaches-in-public-service-reform/: (accessed 13 October 2017).
[142]Miller, E., Cook, A. & Samet, W. (2009) *Philosophy and Principles Underpinning a Personal Outcomes Approach*:

www.jitscotland.org.uk/actionareas/themes/involvement: (accessed 13 October 2017).
[143]Wagle, N. W. (2017) *Implementing Patient-Reported Outcomes Measures*: https://catalyst.nejm.org/implementing-proms-patient-reported-outcome-measures/ (accessed 13 October 2017).
[144]Wagle, ibid. p.1

Service level outcomes usually locate a project or program as the key focus of the work. Service level outcomes will often sit within a broader organisational outcomes framework that is increasingly responsive to outcomes that have been prioritised by a funding body or authorising agency. Miller, Cook and Samet[145] note that outcomes framed at a service level often start with the range of services that already exist and thus the key task is to identify the results expected from matching service delivery to specific needs or deficits.

Population level outcomes are higher order results that are used at the local, state or national level to monitor and determine the effect of collective efforts. Population outcomes are an attempt to capture shared impact. Population level outcomes are usually explored across longer timeframes[146]. However, they will often include measures that monitor progress along the way and the achievement of interim outcomes.

Cook[147] provides a useful summary of these three different conceptualizations of outcomes in the following Table 1.

Table 1: Conceptualisations of outcomes - A summary **(Reproduced from Cook, 2017).**

	Personal	Programme	Population
Definition	What matters to me	Intended result or intervention	How things are for people
Origin	Person-centred care and research and evaluation	Evaluation	Management and evaluation
Activity	Specified activities agreed between person and practitioner	Specified activities which the service or programme is funded to deliver	Diverse and broadly specified activities encapsulated within the programme of government
Focus	The individual, their family and community, including issues, needs and assets	The service, staff and service users and their families and communities	The nation and population
Outcomes	Determined and defined by the person in collaboration with practice	Determined and defined by stakeholders, funders, program staff and participants	Determined by national organisations and government based on understanding of what is important to people and national goals
Level of control	Control, direct and indirect influence	Control, direct and indirect influence	Indirect influence
Complexity	Clearly defined complex system	Clearly defined complex system	Broadly defined complex system
Attribution vs contribution	Contribution	Attribution or contribution	Contribution

[145]Miller, E., Cook, A. & Samet, W., op cit.
[146]Cook, A. (2017) *Outcomes Based Approaches in Public Sector Reform:*

http://whatworksscotland.ac.uk/publications/outcomes-based-approaches-in-public-service-reform/ (accessed 13 October 2017).
[147]Ibid., p11

Why focus on outcomes?

The diversity of approaches leaves the sector with key choices about how it can proceed. It is clear that what we signal as important will determine what we focus on. However, the mindset that is brought to the task and whether the key interest is in accountability or learning – proving or improving – goes a long way to determining what an outcomes framework looks like, how it is put into practice and the consequences of taking a given approach.

To best make sense of the assumptions that underpin these approaches and the contrast between them, it is useful to categorise them as two competing paradigms even though some outcomes frameworks may fall along a continuum of proving/improving in the sense of trying to do both and both have the potential and limitations as overarching frameworks for action. However, excavating the lines of logic that sit underneath both demonstrates the difficulty of holding competing priorities in a productive tension.

Outcomes-based performance management – The accountability lens

Lowe and Wilson[148] contend that the accountability focused approach to outcomes-based performance arose from New Public Management and as such the fundamental principle is that people and organisations that deliver interventions 'should have their performance rewarded or punished based on whether the desired outcome are occurring'[149]. Within this mindset, professional expertise and discretion is incentivised to deliver predetermined outcomes of significance to decision makers.

This assumes that outcomes can be determined in advance, that relations of cause and effect operate in a linear fashion and that the potential for outcomes is encapsulated within the intervention strategy itself. The key concerns are to accurately measure what outcomes result from the intervention and to ensure they are attributable to the policy or program of interest.

This approach is marked by a desire for standardisation, certainty and control. Proof, of concept in relation to the intervention used and performance by those resourced to deliver, is at the heart of this approach to strengthening outcomes. Payments by results initiatives are the most significant example of outcomes-based performance management.

Outcome-focused improvement lens

An alternative paradigm comes from those interested in using data to reflect and inform practice. Rather than outcomes being conceived as the vehicle through which to incentivise better practice, they are viewed as a mirror that sheds light on what is happening within a given time and space. Within this paradigm, outcomes support attempts to improve practice and deliver changes that are meaningful to a range of stakeholders.

This approach assumes that outcomes can be ambiguous and are more likely to emerge from the effects of a range of factors within and beyond any particular policy or program. Rather than assuming linearity, an improvement focus embraces complexity:

[148]Lowe, T and Wilson, R (2015) Playing the game of outcomes-based performance management: Is gamesmanship inevitable? Evidence from theory and practice', *Social Policy and Administration* DOI: 10.1111/spol.12205
[149]Ibid., p.2

A complex approach to these difficult public and social issues argues that what is needed is to understand the interaction and feedback between key variables, rather than forcing an approach that sees, or tries to argue, that one variable determines or causes another[150].

A performance management approach to strengthening outcomes will privilege outcomes measurement practices that are viewed as having greater capacity to deliver certainty in terms of the question of 'what works?' This certainty is valued as legitimating decision making. An outcomes focused improvement lens will privilege outcomes measurement practices that allow better questions to be asked. Better reflective and inquiry capacity is valued for enabling evidence informed trial and error in a context where cause and effect dynamics are often only visible in retrospect.

Table 2: Proving outcomes and improving practice

	Proving Outcomes	Improving Practice
Focus of accountability	Upwards to funders or political decision makers	Dispersed to practitioners or citizens
Key concern	Performance management and judgment	Learning and practice improvement
Dominant accountability orientation	Top down	Bottom up
Assumed motivation	Rewards and Punishments	Meaning, Mission and Achievement
Key measurement concerns	Certainty and attribution	Good enough data and contribution
Type of data	Quantitative	Mix of quantitative and qualitative
Level of concern	Usually population or service. However, standardised personal outcomes reporting can be an element of this approach	Usually personal and service. However, population level data can be used and even privileged if the intervention embraces a social determinants approach
Practice implications	Greater standardisation, a concern for compliance and targeting.	More flexible responses, a concern for responsiveness, feedback loops and action cycles

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[150] Haynes, P. (2003) *Managing complexity in the public services*, Open University Press, p.35.

Community services of the future: An evidence review

The two tables presented above in this paper scope out the basis for marked differences and disparity in approaches to strengthening outcomes in the social sector. Which approach delivers better outcomes? We don't know. There is very little evidence on the outcome of outcomes frameworks[151].

The key risks that sit underneath the different approaches are quite clear. In the context of outcomes-based performance management there is a concern that it puts the cart before the horse – that what can be measured will be measured and what is measured becomes what counts as important. Practicing 'to the test' has the potential to undermine the prospects for genuine productive change in reality. It also has to the potential to undermine the veracity of the data collected to make judgments. In the context of payments by results regimes, these risks are intensified. Unintended (but not unanticipated) effects can include perverse practice incentives, gaming and fraud[152]. Research in the Australian context suggests that these fears are not without foundation[153].

The improving practice paradigm, with its lesser emphasis on precision of measurement, depth of evidence runs the risk of allowing levels of confirmation bias and unfounded contribution claims. The key challenge seems to be holding the tension between meaningful and measurable in a way that supports thoughtful effective practice without encouraging teaching to the

test, gaming and the dominance of outcomes that are important to decision makers but not other stakeholders. With different levels of outcomes in mind and alternative purposes, Miller and Barrie[154] capture what can be seen as the key goal – to strengthen the links and alignment between identity, action and decision-making. Tomkinson[155] would support this claim given she argues that 'reporting should be *for* outcomes, not just *on* outcomes', that is outcomes regimes must be orientated to furthering the results they pursue, not just capturing them for the purposes of legitimating expenditure and decisions taken.

The Scottish Approach to strengthening outcomes starts with practice and explicitly works with complexity in that it 'promotes coproduced, personalized and partnership-based approaches'[156]. This approach has included changes to practice, service delivery and outcomes measurement. Scotland has a national outcomes framework which names sixteen outcomes which describe what the government want to achieve, which is accompanied by 55 indicators which track progress[157]. In addition, each local area in Scotland has to

[151]Cook (2017) op cit.
[152]Bevan, G. & Hood, C. (2006) 'What's Measured Is What Matters: Targets and Gaming in the English Public Health Care System', *Public Administration*, 84, pp.517-538; Lowe, T. & Wilson, R. (2016) *Managing the performance of social interventions: What can we learn from a complex systems approach?*: http://eprint.ncl.ac.uk/file_store/production/227316/8B5150A4-399C-4E69-8442-E4D796B7227A.pdf (accessed 13 October 2017).
[153]Keevers, L., Treleaven, L., Sykes, C. & Darcy, M. (2012) 'Made to measure: taming practices with results-based accountability', *Organisational Studies*, 33: 1, pp.97-120.
[154]Miller, E. & Barrie, K. (2016) *Personal outcomes: learning from the Meaningful and measurable project*, Health Care Improvement Scotland: Edinburgh.

[155]Tomkinson, E. (2016) 'Does outcomes-based reporting contribute to or contradict the realisation of social outcomes?' in: Butcher, J. & Gilchrist, D. (eds) *The three sector solution: delivering public policy in collaboration with not-for-profits and business*, ANU Press: Canberra.
[156]Cook, A. (2017b) Outcomes Based Approaches to Public Sector Reform: Event Report accessed at http://whatworksscotland.ac.uk/wp-content/uploads/2017/07/WWSOutcomesBasedApproachestoPublicServiceReformEventReport.pdf 4 November 2017.
[157157] Scottish Government (nd) *Performance*: http://www.gov.scot/About/Performance/scotPerforms/outcome (accessed 16 October 2017).

undertake collaborative planning to determine the quantum and type of support to be provided to people. These plans specify the outcomes to be achieved. Within the context of service delivery, Scotland has also instituted a personal outcomes approach that is strengths focused and conversation based.

However, a recent review of the Scottish Approach found that although Scotland is 'ahead of the curve' on implementing a comprehensive outcomes-based way of working it is still piecemeal and at times conflicting[158].

The review made seven recommendations in regard to progressing outcomes-based work. These recommendations are informative in terms of what it takes to strengthen outcomes across a jurisdiction and how long it takes.

Ten years on our Scottish counterparts are looking to:

> **1.** Navigate a path through complexity with a robust and explicit theory of change.
>
> 2. Promote partnership working and co-production by focusing on contribution to outcomes.
>
> 3. Maximise learning by understanding the journey as well as the outcome.

4. Ensure data is meaningful and measurable using multiple forms of evidence.

5. Maximise impact and efficacy by tailoring the approach to the purpose.

6. Celebrate success and share the learning by telling the whole story

7. Improve policy implementation using outcomes approaches to understand and evaluate progress[159].

Conclusion

The community sector plan needs to launch its own approach and to explore how best to place outcomes at the centre of it work and as a marker of what the sector produces for Victoria and its citizens. Holding these two purposes in productive tension is the key challenge in moving from outputs to outcomes in the community sector. Thinking well about outcomes and putting this into practice takes time, concerted effort and the will to engage with complexity.

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[158]Cook (2017) op cit.

[159]Cook (2017) op cit., pp.19-20.

CHAPTER SIX
Information sharing and technological innovation

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Transformation driven by new technology is taking place across the private, government and community sectors. The following text will draw on advances in technology and lessons from practice—from the community service sector and beyond—to illustrate the opportunities from investing in technology for the community service sector. It demonstrates a range of organisational and service delivery benefits being experienced ranging from improved efficiency, financial savings, a mobile workforce, stronger partnerships and networking through information sharing and faster and more informed decision making. Beyond organisational benefits, investment in technology can improve client outcomes by augmenting existing services, providing new ways of reaching out to marginalised populations and meeting the increasingly digital expectations of citizens.

Information sharing and collaboration

Tools that support information sharing and collaboration—such as Microsoft Office 365 which is to be introduced by the DHHS—offer the ability to overcome longstanding challenges around inter-organisational work.

These cloud-based suites of tools allow different ways of co-authoring, cloud-based file storage and file sharing with external and internal users (e.g. SharePoint, OneDrive), group workspace for collaborative work, video-conferencing (e.g. Skype for Business) and enterprise social media.

Evidence from the community services sector demonstrates the efficiency benefits and financial savings made possible by such tools.

To overcome challenges around having a mobile and distributed workforce Centacare Adelaide turned to Skype for Business to allow remote video chat services. Within 12 months it achieved a return on its investment and significantly improved client outcomes and a continuing positive impact on workers[160].

Similarly, Cardinia Council adopted Skype for Business to address the pressure around office space and transform into a desk-less workforce. It allowed employees to use any device (e.g. laptop, desktop, tablet) to easily connect and collaborate based on the project they are working on, rather than their location; it also reduced the need for office space by 15 per cent and staff turnover by 13 per cent[161].

In the case of Playgroup Queensland, a not for profit charity, the use of Microsoft 365 provided employees with collaboration tools and access to systems everywhere from any device, as well as file sharing and video-conferencing capabilities, increasing productivity by 50 per cent[162].

Enterprise social media—such as Jive, IBM Connections and Microsoft Yammer—take collaboration tools one step further by enabling social interaction and knowledge

[160]*Centacare Adelaide's experience with Microsoft Office 365*: https://enterprise.microsoft.com/en-au/customer-story/industries/public-sector/centacare-keeping-workers-safe-skype-business/, (Last accessed Jan 18th, 2018).
[161]Cardinia Shire's example with Microsoft 365: https://enterprise.microsoft.com/en-au/customer-

story/industries/public-sector/cardinia-shire-council-bold-new-world-work/, (Last accessed Jan 18th, 2018).
[162]Playgroup Queensland's experience with Microsoft Office 365 https://customers.microsoft.com/en-us/story/telstra-office-365-solution-helps-australian-organizat, (Last accessed Jan 18th, 2018).

sharing between physically distributed workers and teams. They leverage on the knowledge of the employees, management and the partners and are increasingly used by small and large organisations. Benefits for organisations include expanding social networks, breaking down communication barriers, building trust and empowerment and creating awareness and encouraging offline interaction.

 A report by McKinsey shows that adoption of enterprise social media in organisations moved from less than 20 per cent in 2010 to up to 70 per cent in 2016[163]. However, if not implemented correctly and the culture of information sharing does not exist to support these tools then its potential and subsequent uptake by employees and benefit may be low. While the literature on enterprise social media is relatively underexplored in the community services sector there is some evidence of use amongst Victorian public sector organisations[164].

Evidence suggests that social media can strengthen resilience by changing the information dissemination pathways and providing access to relevant, timely and reliable information.

In the same way, social media can be used to improve the delivery of services to beneficiaries and users. Evidence suggests that social media can strengthen resilience by changing the information dissemination pathways and providing access to relevant, timely and reliable information. Other common uses by community service

organisations include soliciting donations, encouraging action and raising awareness. However, amongst community service organisations most information remains uni-directional and opportunities exist to better use social media to engage clients and meet their information needs.

Enabling a 'mobile office' for mobile workers

Improving the interoperability of systems, implementing collaboration tools and a cloud-based infrastructure can improve the work of mobile workers—such as child protection workers who often visit families. Underpinned by a digitally enabled back-office, smartphones and tablets offer the opportunity for mobile workers to complete 'paper work' digitally on site (reducing the need for double entry), look up historical notes and access databases to retrieve information in real-time and importantly increase their safety by having access to critical information on the move.

Evidence from a range of public and community sector organisations show that mobile technology can lead to financial savings and improved service delivery.

For instance, one of the largest surveys of social workers and mobile technology undertaken by the National Health Service in the UK in 2017 found that nearly half of social workers that work with children and families use mobile technology during face to face consultation to support the interaction and capture data[165].

Amongst front line police officers—the prototypical mobile worker—the use of mobile technology has reduced the need for double data entry, shortened case times and hence improved customer outcomes,

[163]Bughin, J., (2015) *Taking the measure of the networked enterprise.* McKinsey Quarterly.
[164]The Public Sector Innovation Network Yammer Group for list of Victorian government sector groups: https://innovation.govspace.gov.au/public-sector-

innovation-network-yammer-group, (Last accessed Jan 18th, 2018).
[165]NHS. (2017). Social Workers and Information Technology: NHS Digital.

increased visibility and improved the safety of police officers[166]. In Victoria there is currently large scale investment into enabling and effective mobile police force using mobile technology to give frontline police officers quicker access to the information they need to respond to family violence incidents and crime[167].

Big data and analytics driven decision making

Big data and analytics are two movements that are presenting new opportunities for informing decision making in the community services sector. In particular, predictive analytics are creating new ways to look for patterns and trends in data and allow for real-time predictions about future events.

For modern organisations, data and analytics can be considered as important as labour and capital. Data can be drawn from retail data, location-based data (from smartphones), health data and other public sector data.

The value of big data lies not only in the size of datasets captured by organisations but rather an organisation's capacity to connect multiple datasets, impose structure on the data using innovative technologies and extract information to meet goals. However, while big data and analytics have been become commonplace in commercial organisations, the impact of data analytics is less visible in the community services sector which has a more tentative relationship with big data, analytics and information communication technology more broadly.

Along these lines, McKinsey reported that the percentage of value captured from data in the public sector is as low as 10 to 20 per cent because of a lack of analytical talent as well as data being siloed within different agencies[168]. This suggests this is an area for significant potential and growth.

For modern organisations, data and analytics can be considered as important as labour and capital.

Visualisation technologies are used to present big data in the form of animated visualisations and graphics, but also tables and charts, thus removing the need for users to be comfortable with large volumes of data or spatial data analysis. For example, a web-based mapping application has enabled users to create maps at a variety of levels, from neighbourhoods to the entire U.S., using over 15,000 datasets in demographics, housing, lending, consumer spending, education and other categories[169].

Another opportunity afforded by big data and analytics is the potential for organisations to use data from diverse sources to inform specific operations and strategic planning decisions. This can be used to support evaluation of delivery or performance management in order to better understand the efficiency and effectiveness of particular programs (retrospective analysis), but it also allows decision makers to engage in prospective analysis so that

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[166]Karanasios, S. & Allen, D. (2014) 'Mobile Technology in Mobile Work: Contradictions and Congruencies in Activity Systems', *European Journal of Information Systems*, 23: 5, pp.529-542.
[167]Staff Writers (2016). *Victoria Police tenders for advanced crime fighting tool*. Available from: http://www.govnews.com.au/victoria-police-tender-advanced-crime-fighting-tool/., (Last accessed Jan 18th, 2018).

[168]Henke, N., Bughin, J., Chui, M., Manyika, J., Saleh, T., Wiseman, B., & Sethupathy, G. (2016) *The age of analytics: Competing in a data-driven world*, McKinsey Global Institute.
[169]Reinvestment Fund's Policy Map (http://www.policymap.com/) is a Web-based mapping application that allows users to generate maps at the USA neighbourhood or national level using datasets on demographics, housing, lending, consumer spending, education etc.

managers can allocate resources or design new initiatives intended to optimise social outcomes[170].A key consideration is that big data and analytics can only be successful if challenges around information sharing, interoperability and volume, velocity, veracity and validity of data are addressed.

A leading example of analytics in the community services sector is the case of Medway Youth Trust, a small charity with 55 staff member in the United Kingdom, which invested in predictive analytics software to identify young people at risk of unemployment after leaving school. The charity provides advice and guidance to young people to help them through education, work and identifies young people who are at risk of becoming "not in employment, education or training".

Analytics tools and dashboards allowed Medway Youth Trust to connect information from several different data sources, including management systems in schools and colleges. The data is used to map the trajectory of young people and analyse the data to assess the risk each young person faces of becoming unemployed. By doing so, the charity is able to act fast and provide guidance, often before the youngster has left full time education[171].

Interoperability, sharing data and open data

Interoperability is the ability of different information systems and software applications to communicate and exchange data and underpins many of the solutions discussed in this report. Better interoperability between systems but also in

terms of terminology and organisational processes is necessary for most public and community service sector organisations to better meet the demands of users. Yet, it remains a long standing challenge for the community sector and is a recurrent reason for breakdowns in communication, information sharing and sense-making.

Within the Victorian ICT Strategic Planning for the health sector in 2017 it has been noted that interoperability continues to be a challenge[172].

While tools such as Microsoft 365 can help alleviate some of the collaboration and file sharing challenges, there are many systems that remain unable to share data for technical, syntactic and organisational reasons.

To address these issues government agencies are putting policies in place to achieve integration-based system interoperability.

While tools such as Microsoft 365 can help alleviate some of the collaboration and file sharing challenges, there are many systems that remain unable to share data for technical, syntactic and organisational reasons.

The most instructive examples of overcoming obstacles around interoperability come from the 'blue light' services—

[170]Johnson, M. P. (2015) 'Data, Analytics and Community-Based Organisations: Transforming Data to Decisions for Community Development', *A Journal of Law and Policy for the Information Society*, 11: 1, pp.49-96.
[170] Heslop, K. (2013) 'Case Study: Medway Youth Trust tackles youth unemployment with the help of Tableau Software', *Computer Review Weekly*; Lonergan, K. (2013) *Medway Youth Trust tackles unemployment with visual analytics*, Information Age.

[171]Heslop, K., (2013) *Case Study: Medway Youth Trust tackles youth unemployment with the help of Tableau Software.* Computer Review Weekly; Lonergan, K., (2013) *Medway Youth Trust tackles unemployment with visual analytics.* Information Age.
[172]*See the Strategic Plan for the Victorian Health Sector*: https://www.parliament.vic.gov.au/file_uploads/VAGO_-_ICT_Strategic_Planning_in_the_Health_Sector_FbVPGqDf.pdf, (Last accessed Jan 18th, 2018).

particularly in Europe and the U.S., around radio communications because previous systems were limited by organisational, procedural and technical limitations.

Within Victoria, The Referral and Triage Portal introduced by the Victorian Government in 2016 is an instructive example of interoperability and collaboration between different services. The Department of Health and Human Services has worked in partnership with Victoria Police, Department of Justice and Regulations and community service organisations to streamline L17 referrals and reports to an online portal for child protection and family violence outreach services. Since its implementation in 2016 the online portal allows information to be processed immediately and more easily shared (referrals and reports are no longer be sent via fax) so that child protection and family violence services can respond faster[173].

This links to developments around Application Program Interfaces (API), which allow for the sharing of information in standardised ways across platforms, agencies and end users. It also creates new opportunities for Open Government Data which can be made available for citizen use but also by community service organisations. Mostly APIs in this case refer to allowing a third party to query a data set at a granular level and there is a push amongst governments worldwide to move in this direction[174].

In Victoria the Open Data Directory provides data from Victorian government departments and agencies to the public. This offers two types of opportunity. First, it allows community sector organisations to build programmes based on accurate and available data and saves costs because it does not need to collect the data. For instance, the Open Data Directory provides data on maternal and child health breastfeeding rates from Maternal and Child Health Service which can be used to inform community sector strategies and programmes. Therefore, community service organisations should consider if sources of publicly-available data can be used to meet their analysis needs. Second, it allows organisations to make available their data for query by other organisations and citizens which can lead to other social benefits to accumulate from the data.

Case study – Client focused innovation

Building on the proliferation of smartphones and tablets, Stepfamilies Australia and Drummond Street Services developed the MyMob App to address the risks associated with parental separation and re-formation and the need to learn new ways of engaging and communicating. The MyMob App provides a technological framework that connects family members to support, information, resources and tools to promote positive communication, parenting and family functioning. The MyMob App includes a message board to communicate, a family diary of special events and parenting schedule and resources for children to share what is happening in their life with their parents and siblings. The MyMob App is novel in that it offers parents and grandparents an avenue for communication that is transparent, straightforward and less stressful than face-to-face interaction and also allows children to engage with siblings who live elsewhere[1].

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[173]DHS. (2016) *L17 Family Violence Portal*. http://www.dhs.vic.gov.au/funded-agency-channel/about-service-agreements/program-requirements,-guidelines-and-policies2/l17-family-violence-portal, (Last accessed Jan 18th, 2018).

[174]In the United Kingdom there is push to make government data available as part of the public service reform https://data.blog.gov.uk/2016/08/23/api-first-at-data-gov-uk/, (Last accessed Jan 18th, 2018).

Future steps and considerations

The foregoing text demonstrated the opportunities afforded by recent developments in technology. Investment in technology is advancing all sectors of the economy and the community organisation sector should be no exception. Planning for the future should incorporate both funding to enable effective delivery of technology and expertise to develop the sector's strategy.

Significantly, the advances and solutions discussed bring with them a range of challenges concerning information security (i.e. hacking, leaks, data theft) and the storage and collection of sensitive data[175]. Such issues are of paramount importance and must be considered alongside any investment in technology or innovation strategy.

Other challenges need consideration, such as balancing remote working applications with the need for human interaction for workers and beneficiaries and ethical considerations on the implications of data based decisions by predictive analytics and artificial intelligence systems[176]. In addition, the sector needs to address the digital skills gap[177] to enable a proficient workforce that is able to harness the potential of new technology as it is implemented and evolves over the coming years.

In addition, the sector needs to address the digital skills gap to enable a proficient workforce that is able to harness the potential of new technology as it is implemented and evolves over the coming years.

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[175] DHHS (2016). *Digitising health How information and communications technology will enable person-centred health and wellbeing within Victoria.* Department of Health and Human, Melbourne.

[176] O'Neil, C. (2016) *Weapons of Math Destruction*. Crown, New York.

[177] Deloitte (2016) *Australia's digital pulse report*. Deloitte Access Economics, Available at

https://www2.deloitte.com/au/en/pages/economics/articles/australias-digital-pulse.html (Last accessed Jan 18th, 2018); Gekara, V., Molla, A., Snell, D., Karanasios, S., & Thomas, A. (2017) *Developing appropriate workforce skills for Australia's emerging digital economy: working paper*. http://apo.org.au/system/files/107641/apo-nid107641-434736.pdf, 9Last accessed Jan 18th, 2018).

CHAPTER SEVEN
Regulatory frameworks

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Introduction

Community organisations collectively receive significant amounts of funding from a range of public and private sources and many provide essential services, including to the most marginalised and disadvantaged groups. As such, it is important that we regulate community services to ensure they are providing at least minimum standards of service provision, protecting the rights of people accessing services, and establishing accountability for public funding.

Where regulation works well it can ensure that those facing vulnerability and disadvantage receive appropriate support and protection, and safe, high quality services[178].

But, where regulation does not operate effectively, it can inhibit innovation, burden already stretched organisations with additional reporting requirements and even silence the voices of community organisations in political debates.

There is, therefore, a difficult balance to maintain in regulation between assuring the standards, safety, security and voice of those accessing services, and allowing community organisations the freedom to operate in the ways that best suit their particular purpose and context.

In recent decades, the academic field of regulation has matured beyond considering this concept purely in terms of rules, control and formal types of authority, to understanding this as a process of communication and one that needs its own specific set of practices to deal with a setting of diffused power[179]. Yet, the empirical data about how this might apply most effectively to the regulation of the community sector is yet to develop in a sufficiently significant way to support this approach[180].

This piece provides an overview of some of the existing evidence, but notes that contentions remain about how to develop evidence-based regulatory frameworks and support the sector to further build this evidence base.

Background

At its core, regulation is concerned with how complex systems are overseen and managed to their best effect. It is a complex area that, in the academic literature, sits between a number of different disciplines of study. Yet, it is a crucial function for governments to ensure that standards and dignity are maintained, and funds are used in effective and efficient ways.

As Haines explains, 'regulation is an important tool in the pursuit of health, environmental sustainability and in making markets work to the benefit of most'[181]. Regulation can be conducted via several different methods ranging from measures that are advisory and persuasive, through mild administrative sanctions, to those that

[178]Baldwin, R., Cave, M. & Lodge, M. (2010) 'Introduction: Regulation – the field and the developing agenda', in Baldwin, R., Cave, M. & Lodge, M. *The Oxford Handbook of Regulation*, Oxford Policy Press: Oxford DOI: 10.1093/oxfordhb/9780199560219.003.0001.
[179]Ayers, I. & Braithwaite, J. (1992) Responsive regulation: Transcending the deregulation debate, Oxford University Press: Oxford.

[180]Balleisen, E.J. & Moss, D.A. (2009) *Government and markets: Toward a new theory of regulation*, Cambridge University Press: Cambridge.
[181]Haines F. (2011) *The paradox of regulation: What regulation can achieve and what it cannot*, Edward Elgar: Cheltenham, p.29.

are more punitive (see below for further discussion)[182]. The task for regulators working collaboratively with community organisations is to determine the right balance of these levers in order to steer the system in the most effective and efficient manner.

Most Victorian community services organisations are charities registered with the Australian Charities and Not-for-profits Commission (ACNC). The ACNC has governance standards for registered charities and undertakes compliance activities to ensure these standards are maintained.

In addition to the ACNC regulations, there are a range of others that apply to some community organisations, according to the functions that they serve.

Much of the community services industry in Victoria has undergone significant legislative and regulatory changes in recent years, including: transitioning to the National Disability Insurance Scheme; introducing minimum compulsory child safe standards to better protect children from the risks of abuse; and, establishing a reportable conduct scheme to better protect children from abuse and child-related misconduct.

It has been estimated that annual costs of reporting requirements for Victorian community services organisations is around $22 million.

 Other regulatory schemes that apply to the industry include the Human Services Standards, which have been gazetted under both the *Children, Youth and Families Act 2005* and the *Disability Act 2006*.

There are costs associated with regulation activities for both the regulators of a system and those they regulate. It has been estimated that annual costs of reporting requirements for Victorian community services organisations is around $22 million[183]. When there are changes to these systems there can be additional costs as all parties get to grips with these new processes and ways of working. But, it is important to ensure regulation in the community services industry is fit for purpose and achieving desired objectives, while minimising unnecessary costs on both government and community services organisations.

Current and emerging trends

In this section a number of national and international trends are set out that might impact and shape Victoria over the next decade and therefore need to be considered in industry planning. What is clear when we examine these patterns is that the sector will likely undergo significant transformation in the coming years. Not all of these trends are new, and some are a continuation of trends that have been in train for some time and their impact will be felt for longer still. In addition to the trends outlined here, many of the trends that are relevant in terms of governance and leadership will also apply.

Simplifying regulatory regimes

As more services that were traditionally delivered by the state have been externalized to third party providers, a significant regulatory architecture has developed and emerged over time. Overall the regulatory framework has often been *ad hoc* and piecemeal and as such is rather complex, fragmented and inefficient[184]. The

[182]Ayers and Braithwaite *ibid*
[183]VCOSS (2016) *More than charity: Victoria's community sector charities*, VCOSS: Melbourne.

[184]Seibert K. (2016) 'Navigating reform in contested places: Reflections on not-for-profit sector regulatory refom in Australia, 2010-2013', in Butcher, J. & Gilchrist, D. (eds) *The three sector solution: Delivering public policy in collaboration*

regulatory requirements for some services have accumulated over time and this has led to the creation of complex interactions that need legal expertise to help clarify. Because of the complexity of arrangements there can also occasionally be misunderstandings about what is actually required by regulation. Where regulatory regimes are complex, individuals interpret them in conservative ways. Studies of Australian government regulatory practices have found that risk aversion can mean that organisations adopt rather onerous processes that are not actually required by the regulation in place[185]. To add to this complex picture, many community organisations hold contracts and operate within the regulatory frameworks of multiple levels of governments and agencies and not just one.

Because of the complexity of arrangements there can also occasionally be misunderstandings about what is actually required by regulation.

As a result of these pressures, in a number of countries there has been a significant program of effort to simplify regulatory requirements and reduce the burden on third party providers working with government[186]. This approach involves both clarifying the limits of acceptable practice and ensuring a common understanding of practice. Reviewing regulatory practice can also show where regulations might be overlapping or even contradictory in some cases. Furthermore, the emergence of social media, for example, had changed the ways that organisations interact with the general public and in some cases regulatory regimes may have not kept pace with these potentially efficient and time-saving developments.

In Australia, significant work has been underway through the ACNC as an attempt to reduce the amount of red tape that community organisations face and align various different fragmented systems[187]. In other countries, regulators have been integrated as an attempt to reduce fragmentation. For example, in England the Care Quality Commission was created after merging health and social care regulators. The aim here was to reduce duplication and unintended causes of two regulators working to oversee some services. However, there have been concerns that these organisations have become so large, encompassing such a range of functions that this has raised other challenges for those they oversee[188].

Balancing tight and loose regulation

As outlined above, the potential actions and tools of regulators sit on a continuum that is quite loose and permissive at one end and, tight and controlling at the other. A major challenge for regulators relates to how to balance regulatory activity and the nature of the relationship with those they oversee[189]. Too loose and governments may struggle to communicate requirements to partners and maintain minimum standards. Too tight and this may inhibit the ability of partners to innovate, to determine the best ways to

with not-for-profits and business, ANU Press: Canberra, pp.131-56.
[185]Australian Government (2010) Empowering Change: Fostering Innovation in the Australian Public Service, Canberra.
[186]OECD (2014) Innovating the public sector: from ideas to impact, OECD: Paris.

[187]Deloitte Access Economics (2016) Cutting red tape: Options to align state, territory and Commonwealth charity regulation, Deloitte Access Economics: Canberra.
[188]Glasby, J. & Dickinson, H. (2014) A-Z of inter-agency working, Palgrave Macmillan: Basingstoke.
[189]Yeung, K. (2010) 'The regulatory state', in Baldwin, R., Cave, M. & Lodge, M. The Oxford Handbook of Regulation, Oxford Policy Press: Oxford.

deliver services and engage with different stakeholders.

Community sector organisations vary significantly in terms of their characteristics, the ways in which they operate and the context within which they work. What this means is that one regulatory approach will not work for all and need to be crafted for the specific context balancing the desired outcomes, risks and resources available. As such there is somewhat of a debate within the policy literatures concerning how to regulate in a way that is responsive to the individual contexts of different organisations[190].

> *…one regulatory approach will not work for all and need to be crafted for the specific context balancing the desired outcomes, risks and resources available.*

Traditionally regulatory mechanisms have been quite blunt in nature, sitting within the tighter and more controlling end of the continuum. This kind of regulation typically aims at minimum standards and at preventing the worst of behaviors, without necessarily pushing those who perform better. In more recent years there has been a recognition that tight regulation can be effective at assuring particular standards, but may stymie innovation and the delivery of quality outcomes.

Against this background, governments have signalled that they are moving towards more relational or responsive forms of regulation

that are more 'light touch' in nature and seek to focus on what matters – quality of service and outcomes – rather than particular processes or activities. Such approaches typically involve self-regulation where organisations largely regulate themselves with an authority able to intervene where regulatory practice is seen as inadequate[191].

Within a self-regulation approach, organisations monitor their own performance and report this to their regulator. This allows organisations to report against outcomes, with the potential that this creates more innovative approaches as they are not required to adopt specific processes and practices. The social housing sector in the UK provides one such an example of the operation of self-regulation linked to outcomes.

In Australia, an example of an approach that focuses on the outcomes of activity and not the processes, is that associated with Social Impact Bonds (also known as Social Benefit Bonds)[192]. However, a number of studies have demonstrated that whilst this intuitively makes sense, it is more difficult to achieve in practice and requires a change in the skills and abilities of professionals in the commissioner and provider groups, as well as in the culture of the organisations[193].

Sanctions or voluntary compliance

A final issue for regulators to consider after determining the kind of relationship they will have with those they regulate, is what an appropriate response should be to the identification of low standards. Traditionally many regulatory approaches have been built on sanctions, where organisations receive negative penalties as a result of not reaching

[190]Haines ibid
[191]Alford, J. & O'Flynn, J. (2012) *Rethinking public service delivery: managing with external providers*, Palgrave Macmillan: Basingstoke.
[192]Fraser, A., Tan, S, Lagarde, M & Mays, N. Narratives of promise, narratives of caution: A review of the literature on Social Impact Bonds. *Social Policy & Administration.* Early online view. 2016.
[193]Dickinson H, O'Flynn J. Evaluating outcomes in health and social care. 2nd Edition ed. Bristol: Policy Press; 2016.

particular standards – e.g. a fine, extra scrutiny or reporting mechanisms, or even criminal sanctions. In recent years it has been identified that sanctions are not always the best approach to employ and may have negative or unexpected impacts[194].

The alternative to sanctions that has gained traction, is to consider the motivations and behaviours of individuals and organisations and where these are spurred into action not because of a threat but because they are self-motivated to do so[195]. Such approaches rely not on only compelling activity through threats, but also through appeals to the intrinsic motivation of an individual or organisation. For example, compliance is seen as a way to build their reputation or aligns with their mission[196].

If a community sector organisation is unable to comply because of a lack of competence or skill, then a sanction will not necessarily improve this situation.

The ability of an individual or organisation to comply with guidance is also an important consideration for regulators. If a community sector organisation is unable to comply because of a lack of competence or skill, then a sanction will not necessarily improve this situation. In this case it may be that some sort of information giving or capacity building exercise might be more effective[197].

In recent years there has therefore been somewhat of a tendency for regulators to conceive of their activities in terms of a continuum and consider the range of different relationships and potential sanctions/supports available to them as they adopt a more risk- or principle-based approach to regulatory enforcement that pays attention to potential side-effects and behavioral implications of strategies. Such approaches tend to focus the majority of their activity on supportive, capacity building approaches that only escalate to significant sanctions if absolutely necessary[198]

Decline in public trust

One of the drivers of the need for better and more effective regulation relates to issues of public trust and legitimacy. It is well established that levels of public trust and confidence in many institutions is declining[199]. "This decline is linked to the fact that today people are less deferential and have higher expectations of services than in the past, but it has also been linked to the issue of accountability and to a perceived lack of transparency in the way these institutions function" (p. 4). Although the community sector generally fares comparatively well in terms of levels of public trust, questions have emerged in relation to some areas of the sector nationally and internationally. Issues have arisen locally, for example, in terms of the processes and practices of some organisations under contract to

[194]Mascini, P. & Van Wijk, E. (2009) Responsive regulation at the Dutch food and product safety authority: An empirical assessment of assumptions underlying the theory. *Regulation and Governance,* Vol 3, No. 1. Pp.27-47.
[195]Thaler RH, Sunstein CR. Nudge: improving decisions about health, wealth and happiness. London: Yale University Press; 2008.
[196]Parker, C. (2000) Reinventing regulation within the corporation: Compliance-oriented regulatory

innovation. *Administration & Society,* Vol 32, No. 5, pp.529-65.
[197]Braithwaite, V. (2003) 'New approach to tax compliance', in Braithwaite, V. (ed) *Taxing democracy: understanding tax avoidance and evasion*, Ashgate Publishing: Aldershot.
[198]Murphy, K. (2004) "Moving towards a more effective model of regulatory enforcement in the Australian Taxation Office", *British Tax Review*, 6, pp.603-619.
[199]Sullivan H. (2015) 'What can government and leaders do when trust evaporates', *The Conversation*, 9 February 2015.

government[200] and the conduct of staff members[201]. Internationally, scandals have emerged around organisations that have used donations and/or contract funding inappropriately or have allowed dangerous practice or abuse to take place with the most vulnerable within that society[202].

When incidents such as those associated with poor practice or misconduct emerge, there can be a tendency for regulators to become more prescriptive, intervening in an attempt to restore confidence in the sector. As an example of this, the UK community sector has in recent years experienced a number of fundraising and abuse scandals. As a result, trust in the sector fell more than any other sector and now ranks below business[203]. A number of high-profile inquiries were launched into these issues and a new regulator was created with rather more prescriptive regulations[204]. The challenges were not necessarily widespread, but once public trust is damaged it can be hard to repair. Governments recognize this and will step in if issues arise. This point underlines the importance of effective self-regulation throughout the community sector where possible and the need for good governance and leadership.

What could the future regulatory framework look like?

In the future, the evidence reviewed above suggests that organisational and technical change in regulatory environments have been one step ahead of the sector, such that changes are seldom evidence-based and that regulators adopting top down and tight regulatory approaches impose massive costs to the sector in continually responding. With the diversity of the sector this regulatory flux has produced variable outcomes.

The sector itself may need to offer some more clarity over what systems will work best or be involved in co-producing these with regulators themselves to produce loose systems of regulation that work. However, based on evidence presented the regulatory framework could include a more streamlined and integrated standards system without compromising the intended objectives of the respective regulatory schemes.

Community organisations should be supported to self-regulate in conjunction with consumers as a check on their performance. Feedback and intelligence from the industry is critical to consider how best to implement and streamline the existing regulatory frameworks, and to identify any opportunities to improve the efficiency and effectiveness of our regulatory approach.

Key decisions will need to be taken in relation to the appropriate balance of regulation in terms of:

- The relative autonomy of partners
- How regulatory regimes of different agencies come together and the impact that these have on organisations
- Setting minimum standards in an appropriate way and non-burdensome to measure
- Efficient and effective systems that make it as easy as possible for services to comply with their obligations
- Providing support to organisations in both complying with regulatory practices and in raising standards if there are

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[200]Olney, S. (2016) *False economy: New Public Management and the welfare-to-work market in Australia*, PhD thesis, University of Melbourne: Melbourne.
[201]Middleton, W., Stavropoulos, P., Dorahy, M. J., Kruger, C., Lewis-Fernandez, R., Martinez-Taboas, A., Sar, V. & Brand, B. (2014) The Australian Royal Commission into institutional responses to child sexual abuse, *Australian & New Zealand Journal of Psychiatry*, 48: 1, pp.17-21.

[202] Greer, C. & McLaughlin, E. (2017) 'Theorizing institutional scandal and the regulatory state', *Theoretical Criminology,* 21: 2, pp.112-132.
[203]Edelman Trust (2017) *Edelman Trust Barometer*: https://www.edelman.com/trust2017/ (Last accessed Jan 18th, 2018).
[204]Proust, E. (2017) Good governance in the not-for-profit sector is paramount, *Pro Bono Australia*, 7 August 2017.

concerns over the performance or processes of an organisation
- How to engage consumers in more effective ways
- Operating a feedback mechanism whereby concerns regarding regulation can be raised and fed back to governments in an appropriate way.

Case studies of best practice

There are a number of tools available to help governments and organisations to support a review of regulatory functions.

The OECD has developed a Regulatory Impact Analysis tool and has a number of publications and case studies available to support the use of this[205]. These resources may be helpful in guiding those seeking to make decisions about the most appropriate design of regulation systems and how to comply with these. A case study of how organisations might streamline the regulatory functions of a number of different codes of practice through a process of audit is provided as an example.

Victorian case study

Located in regional Victoria, a community services organisation provides family and children's services, aged and disability support services, support services for carers, and undertakes community development activities. It is required to adhere to the Human Services Standards, the Home Care Common Standards, the Victorian Child Safe Standards and the ACNC governance standards. There are significant areas of duplication amongst these standards, particularly in regard to management and governance. Compliance with all these standards is ensured through auditing processes. Audits may occur around the same time as each other, and sometimes cover the same matters, so co-auditing avoids duplication of effort. Regulators may seek to use this type of approach to streamline their processes through co-auditing

UK case study

The UK non-profit sport sector has been going through a process of professionalising for some years now, where reform has become an important component of conditional funding. One of the challenges is that organisations vary widely in their experience and ability to operate in an autonomous way. A system of supervised autonomy is operated, where discretion in decision-making is subject to national scrutiny and oversight[1]. This is an example of an attempt to develop greater self-regulation, where a regulator might only step in where there is a significant concern. This is a shift away from the previous regulatory scheme where the regulator took a lead on these processes and the regulations were more passive. Under this new system, organisations are afforded greater freedom to operate where they meet particular levels of performance. The Victorian Environment Protection Agency also piloted such an approach in relation to approvals in the water industry[1].

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[205] See http://www.oecd.org/gov/regulatory-policy/ria.htm,
(Last accessed Jan 18th, 2018)

CHAPTER EIGHT
Governance and leadership

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Introduction

Few would question the idea that effective organisational governance and leadership are needed if the community sector is to maintain a sustainable and strong industry. However, what we mean by 'strong' leadership and governance is not always clear, and the development of these factors has often not been a priority in a context where community organisations manage on narrow margins and within quickly evolving policy contexts.

Despite this, community services often remain well-governed, in many cases involving the communities they serve in these processes and achieving effective results. But there are questions about how sustainable these trends are given changes in the broader context. These shifts have significant implications in terms of the governance and leadership of community organisations as the funding and service landscape dramatically alters.

Background

Achieving 'strong' governance and leadership is a key priority for many organisations, but as Ostrower and Stone[206] note these terms are rarely unambiguously defined in relation to the community sector.

This is problematic because it can be unclear what good processes of governance and leadership are required.

The types of systems of governance that an organisation requires will depend on its size and the context that it operates within. For a small community organisation, governance might be an issue of making sure that all are working together around a common cause and it is clear who is doing what.

For a national organisation, governance might be more a need to demonstrate how it is delivering on its mission, providing quality services, ensuring the board is 'fit for purpose' and the organisation is accountable to the public and stakeholders[207].

This is not to say that systems of governance are not important in smaller organisations, but that appropriate governance structures need to be developed according to the mission and purpose of that organisation.

Governance structures and processes comprise 'hard' levers, such as laws, rules, organisational structures, formal lines of accountability[208]etc. alongside 'softer' ones that relate to the ways in which an organisation influences other actors within broader civil society through its value base and mission[209]. What this means is that the way that an organisation acts, the issues that it values and prioritises and the behaviours that it models can be as important as some of the 'harder' structures and processes that it has in place. How an organisation operates and the values it aligns with, signals to those within the broader community about what motivates that group. Where tensions arise through the interaction of these hard and soft systems or between

[206]Ostrower, F. & Stone, M. (2006) 'Governance: Research Trends, Gaps, and Future Prospects', in Powell, W. & Steinberg, R., (eds) *The nonprofit sector: A research handbook*, Yale University Press: Yale
[207]Tickell J. (2005) *Good governance: A code for the voluntary and community sector*, The National Hub of Expertise in Governance: London.

[208]Lynn, L., Heinrich, C. & Hill, C. (1999) 'Studying Governance and Public Management: Challenges and Prospects', *Journal of Public Administration Research*, 10: 2, pp.233-61.
[209]Dickinson H. (2014) *Performing governance: Partnerships, culture and New Labour*, Palgrave MacMillan: Basingstoke.

governance processes and management teams this can generate tensions. These tensions vary from organisation to organisation, but can include the identity of the organisation and the values that it holds central, financial decision making processes and an inability of the management team to understand key business issues[210].

Current and emerging trends

In this section a number of national and international trends are set out that might impact and shape Victoria over the next decade and therefore need to be considered in industry planning. In recent years we have seen significant financial pressures emerge for many community organisations[211]. Alongside these pressures we are seeing a number of other changes to the service context that mean the community sector is in a state of flux.

Governance and leadership will be key in driving individual organisation and sectoral responses and the evidence from the literature is laid out here to support this. However, it is important to note that the evidence on governance and leadership in the community sector space is not strong. Studies have often tended to be rather descriptive, normative and lack strong theoretical and empirical foundations[212]. There is therefore a need to build this evidence base in order to be more effective in supporting these transitions.

Changes to business systems

Many longstanding community sector organisations have already changed the way that they do business quite significantly.

Over time we have seen the replacement of grant funding with contracts or funding agreements that are accompanied by greater requirements in terms of tendering, performance management and, on occasion, particular governance requirements[213]. The implications of these changes for the governance and leadership of community organisations are profound. It involves significant changes to the ways in which organisations work, being able to cost services accurately and being held to account for particular forms of performance. This pressure is not simply confined to the actions of governments as funders of the sector. Recent years have also seen philanthropic donors demand a greater say over how funds will be used and the governance processes required of organisations[214].

> *Over time we have seen the replacement of grant funding with contracts or funding agreements that are accompanied by greater requirements in terms of tendering, performance management and, on occasion, particular governance requirements.*

In being asked to accurately account for any funds received and their performance, community organisations are being increasingly required to invest scarce

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[210]Kakabadse, A., Kakabadse, N. & Myers, A. (2009) *Boards, governance and leadership of the Third Sector*, Cranfield University School of Management: Cranfield.
[211]Commonwealth of Australia (2017) *Final budget outcome 2016-17*, Commonwealth Government: Canberra.
[212]Romero-Merino, M. & Garcia-Rodriguez, I. (2016) 'Good governance in philanthropy and nonprofits', in Jung, T.,

Phillips, S. D. & Harrow, J. *The Routledge Companion to Philanthropy*, Routledge, Basingstoke.
[213] Maier, F., Meyer, M & Steinbereithner, M. (2014) 'Non-profit Organisations becoming business-like: A systematic review', *Nonprofit and Voluntary Sector Quarterly*, 45: 2, pp.64-82.
[214]Ostrander, S. (2007) 'The growth of donor control: Revisiting the social relations of philanthropy', *Nonprofit and Volutary Sector Quarterly*, 36: 2, pp.356-72.

resources in administrative processes and business systems. This is also being increasingly required in the move towards more individualised systems, such as those associated with the National Disability Insurance Scheme.

Organisations need to have a clear sense of the true cost of delivering a service, which is a significant shift for those who have operated under grants or block funding arrangements previously. These changes have implications in terms of how community organisations operate once they have contracts, but also on the levels of investment made in the tendering process.

Further, the more contracts an organisation holds, the more complex these reporting processes are likely to be[215]. For some organisations this could feel like a waste of scarce funds given that this is some of their resource not going directly to the services and supports that they provide. However, evidence from the US suggests that not-for-profit organisations that spend more on administration do not necessarily fare worse, in fact they are often more effective than those that spend less[216].

A key challenge for leaders is to be clear in terms of what support is required to acquit their responsibilities and how this will work within the context of their organisation.

The evidence suggests that larger organisations are typically better placed with respect to the types of skills and competencies required to operate in this more commercial environment and indeed are often given preference in government contracting processes[217]. This makes intuitive sense given that larger organisations will likely bring with them a greater array of skills, more resources and a perception that they might be better able to manage risk. The Australian evidence suggests this is true, with larger organisations winning a greater proportion of available grants than their smaller counterparts[218].

In recent years there has been significant pressure in some places for community organisations to grow in terms of their size[219]. Governments have often been keen to encourage the consolidation of community organisations, as this means that there are fewer different organisations they are required to work with. Community organisations may be able to grow through the diversification of their income, through merging with other organisations or working collaboratively with other community organisations in, for example, sharing back-office functions or prime provision arrangements[220].

However, there are concerns about trends for increasing the size of community organisations, with the evidence suggesting large community organisations often behave more like corporate entities and less like conventional community sector organisations[221]. Moreover, in the care sector there is recent evidence to suggest that micro-enterprises (organisations with five or fewer employees) provide better care

[215]AMES (2013) *National Commission of Audit Submisson*, AMES: Melbourne: http://www.ncoa.gov.au/docs/submission-ames.pdf (accessed 1 October 2017).
[216]Fiennes, C. (2015) 'Charities and administration costs: good charities spend more on administration than less good charities spend', *Giving Evidence*: https://givingevidence.files.wordpress.com/2013/05/admin-costs-re-release-dec-20151.pdf (accessed 1 October 2017).
[217]McCabe, A. & Phillimore, J. (2012) 'All change? Surviving 'below the radar': community groups and activities in a Big Society', *TSRC Working paper 87*, Third Sector Research Centre: Birmingham.

[218]Our Community Pty Ltd. (2017) *Grants in Australia: Annual research findings for Australian grantseekers and grantmakers*, Our Community Pty Ltd: Melbourne
[219]Pollitt, C. (2008) *Time, policy, management; Governing with the past*, Oxford University Press, Oxford.
[220]Gallet, W., O'Flynn, J.., **Dickinson, H.** & O'Sullivan, S. (2015) 'The promises and pitfalls of prime provider models in service delivery: The next phase of reform in Australia?', *Australian Journal of Public Administration*, 74: 2, pp.239-248.
[221]Harlock J. (2013) 'Impact measurement practice in the UK third sector: a review of emerging evidence', *Third Sector Research Centre Working Paper 106*, University of Birmingham: Birmingham.

and outcomes for consumers than some of their larger counterparts[222].

Establishing what the right 'size' and working arrangements are for an organisation is a key leadership challenge, as is establishing appropriate governance mechanisms. Indeed, it is often said that average costs tend to decline with scale, but so too, does efficiency.

Remaining on mission

For community organisations to be sustainable they need to be profitable in the sense that if they are to invest and reinvest in developing their services and people then they require sufficient funding to support this.

Many community organisations have taken on contracts with governments and other funders as a way of generating income so that they can deliver on their priorities (which may be involved in these contracts or may be broader activity in some cases).

As the fiscal context has tightened, some community organisations face a tension between their financial results and their core mission[223]. An organisation might take on a contract or grant to support a set of activities, but find that the requirements for this shift their focus away from the core reason for the organisation to exist or that in growing an organisation attention is taken from its mission.

Where the mission of an organisation involves individual advocacy work or political argument, some organisations may find that

particular contracts include so-called gagging clauses that prevent public work around a service or issue[224]. A significant challenge for leaders, therefore, is to establish what the core mission of the organisation is and how the organisation should respond to this. Cornforth[225] sets out two types of strategies that can be used to combat mission drift; the first compartmentalised different activities into separate parts of the organisation, and the second seeks to integrate them. Again, which strategy to select is highly dependent on the context and the type of organisation.

Building diverse organisations

There is a growing body of research evidence to suggest that more diverse organisations and, particularly, greater diversity in senior leadership positions and boards enhances the performance of organisations[226]. Diversity can take a number of different forms including geography, sex, race, and ethnicity. A key challenge is to ensure diversity is represented through organisations.

The academic literature has tended to largely concentrate on boards and their composition, the roles and responsibilities of their members, and the relationship between board effectiveness and organisational effectiveness[227]. But there is a need to also understand the factors important in creative diverse and effective leadership and throughout the different levels of an organisation. This may be done by appointing individuals to leadership positions, but also working to ensure

[222]Needham, C., Allen, K. & Hall, K. (2017) *Micro-enterprise and personalisation: What size is good care?* Policy Press: Bristol.
[223]Bennett, R. & Savani, S. (2011) 'Surviving mission drift: How charities can turn their dependence on government contract funding to their own advantage', *Nonprofit Management & Leadership*, 22: 2 pp.217-231...
[224] Wright, S., Marston, G. & McDonald, C. (2011) 'The role of non-profit organisations in the mixed economy of welfare-to-work in the UK and Australia', *Social Policy & Administration*, 45: 3, pp.299-318.

[225]Cornforth, C. (2014) 'Understanding and combating mission drift in social enterprises', *Social Enterprise Journal*, 10: 1, pp.3-20.
[226]Adams, R., Ferreira, D. (2009) 'Women in the Boardroom and their Impact on Governance and Performance', *Journal of Financial Economics*, 94: 2, pp.291-309.
[227]Chelliah, J., Boersma, M. & Klettner, A. (2015) 'Governance challenges for not-for-profit organisations: empirical evidence in support of a contingency approach', *Proceedings of the Australasian Conference on Business and Social Sciences*, 2015;ISBN 978-0-9925622-1-2.

representation of voice and perspective through an organisation.

When seeking to achieve diversity within governance structures there can be the temptation to involve a range of different individuals from diverse backgrounds. But being overly inclusive, for example on a board, can come at the cost of individuals not clearly understanding their responsibilities and the remit of the organisation they are charged with overseeing and being clear how their skills and abilities support this. The evidence suggests there is often little scrutiny over the performance of board members and some report being unclear as to their role within the organisational context[228].

Given that many individuals engage in governance roles of community organisations in a voluntary capacity, this can restrict who is able to give time over to these roles and many community organisations report challenges in being able to recruit the right sorts of individuals with appropriate skills and capacities to their boards[229]. In some cases, this might involve doing capacity building work with some individuals to ensure that those representing communities are appropriately skilled to do so[230].

What could the future system look like?

The evidence suggests that the future system might need to shift quite significantly for some organisations in the near future in terms of their governance and leadership.

Community sector organisations of the future will need to continue to ensure their organisations serve their communities and

meet their legal and compliance responsibilities. Many boards and their organisations are representative of the communities they serve and must have the skills and focus to:

- **Plan and organise** – Focus on future directions and adapting to change under community services industry planning. Establish an organisation vision and plan for sustainability by anticipating and responding to factors that shape the future of the sector.
- **Monitor, review and develop** – Oversee operations of the organisation, including ensuring compliance, monitoring budgets and managing risks. Where gaps in skills and capabilities are found work to develop and fill these.
- **Work together** – Communicate and work effectively with others, such as with the communities that organisations serve, key partners and other relevant stakeholders through a variety of media.
- **Be effective and accountable** – The structure and operations of governance processes will need to support all aspects of decision-making and ensure that decisions are ethical and respectful of confidentiality.
- **Be agile** – CEOs and managers of organisations in the future will be able to quickly adapt to changing environments and lead their workforce in the changes.

[228]ibid

[229]HayGroup (2012) *A delicate balancing act: board effectiveness in the not-for-profit sector*, HayGroup: Melbourne: Available from http://www.haygroup.com/downloads/au/NFP whitepaper.pdf (accessed 1 October 2017).

[230]Durose, C., Richardson, L., Dickinson, H. & Williams, I. (2013) 'Dos and don'ts for involving citizens in the design and delivery of health and social care', *Journal of Integrated Care*, 21: 6, pp326-335.

Case studies of good practice

UK Charity Commission

The UK Charity Commission first developed a Good Governance code in 2005[1]and this underwent significant revision in 2016[1] and a new toolkit was released in 2017[1]. This was developed following a call from community organisations for greater guidance around best practice in governance. The code was developed not as a legal or regulatory requirement, but a practical tool to help organisations engage in continuous improvement towards higher standards. In this sense it is different from the Australian Charities and Not-for-profits Commission that sets out a minimum set of governance standards to be complied with. Although the original Good Governance code took this approach, it has since developed to focus not on the minimum governance requirements, but how organisations can be supported into processes of continuous improvement.

Lacrosse Victoria

A local case study illustrates the ways in which boards can be improved. In partnership with Vicsport, Lacrosse Victoria implemented a forward-thinking approach to governance at the board level to ensure a sustainable and successful future. After a skills audit, some board members decided to move on, providing the opportunity for new members to step in. They also adopted a new constitution, removing other barriers to effective governance. This resulted in a new, strategically-focused board that promoted a new way of thinking, including formal processes and procedures that are transparent and properly communicated to all stakeholders. Vicsport notes that support from other agencies was an important part of improving governance and leadership: "The capacity of Lacrosse Victoria to address good governance increased with support and assistance… It provided the organisation with the confidence to move forward with the required changes and to strategically plan for the growth and greater good of the sport".

Two Italian community organisations

An international example focuses on a rapidly evolving policy context and how two community organisations avoided mission drift in this context. Ramus and Vaccaro[1] report on two Italian community organisations that trade in goods and services to provide working opportunities for long-term unemployed people and immigrants. They have contracts to deliver a variety of services including waste collection and management, health services and cleaning and sanitation of government-owned buildings. During the 1990s the context was stable, but this changed in the 2000s as a greater focus on efficiency and quality were introduced and increased competition saw income reduce. These organisations prioritised activities to save production costs, increase customer satisfaction and financial performance, but over time realised that their original mission had drifted. They engaged in processes of stakeholder engagement to redefine their values which is was felt had been abandoned and introduced new processes of social accounting to rebalance wealth generation and the creation of social value.

A number of digital resources have been established for those struggling to recruit board members or to find those with the requisite skills and experience.

Boardmatch operates in the US, Ireland and Canada and was established to recruit people mainly from the business and professional sectors for community sector board positions (see http://www.boardmatchireland.ie/).

The aim here is to improve the governance of community sector organisations through appointing those with appropriate skills and governance experience.

In Australia, the Community Business Bureau has a similar function and now operates across a number of states (http://www.cbb.com.au/community/boardmatch/).

For those who are coming to governance roles for the first time, organisations such as the Governance Institute of Australia - https://www.governanceinstitute.com.au) provides a series of guides that sets out what needs to go into key governance documents. These templates are presented alongside notes to explain their purpose and key terms.

CHAPTER NINE
Organisational and industry readiness

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Introduction

Victorian community organisations play a number of different roles within our society, often being a key actor supporting the most vulnerable or disadvantaged. Community organisations generate significant economic and social benefits by supporting, advocating, delivering services and building community cohesion. By working closely with the community and collaborating to get best results, they play an essential role in Victorian society. Although change has become a day-to-day commonality for the sector, it is currently undergoing a raft of changes of a magnitude we have arguably not seen for some time. Demographic changes will mean that demand increases and the nature of this demand will change[231]. In addition to this, attempts to embed individualised approaches within a number of policy reform programs and the increase of marketization of public services mean that community sector organisations and their services must remain attractive to survive.

If the sector is not actively engaged with these changes, it could challenge its values, role and functioning. Change is a challenging activity for most individuals and

organisations to engage with, but it has been suggested that the community sector in particular has struggled to engage in change management[232], in part at least because this has involved individual organisations having to engage in complex reforms and shoulder the cost of that reform process. Moreover, community sector organisations are often founded on values that are antagonistic to markets, yet such organisations are increasingly required to operate within markets, often contrived artificially by government. When we examine the evidence concerning what community sector organisations and the broader industry should do to prepare themselves for these changes we find much written about what should be done, but less in the way of evidence to clearly demonstrate how this might be achieved. What is clear is more evidence is required to support organisations through this transition period and how the broader industry might be guided through this process.

Background

Victorian community sector registered charities contribute more than $13 billion a year to the economy and employ around 3 per cent of the Victorian workforce[233]. These figures are for registered charities only, so the contribution of community organisations as a whole is much higher. The impact of community sector organisations also goes well beyond simply their financial value and each day Victorians benefit from the various other ways that community organisations add value to our community. Given the changes we are seeing in terms of disability, aged care and other services (see Governance and Leadership paper for further discussion), it is likely that the community sector will continue to be one of the fastest growing sectors in the Victorian economy in coming years. Not only is the sector growing, but it is undergoing some

[231]Productivity Commission (2017) *Shifting the dial: 5 year productivity review*, Commonwealth of Australia, Canberra.
[232]Butcher, J. (2015) 'The third sector and government in Australia: Not-for-profit reform under Labor, 2007-13',

Australian Journal of Political Sciences, 50: 1, pp.148-163.
[233]VCOSS (2015) *Building on the value of Victoria's community sector*, VCOSS: Melbourne.

profound changes alongside this. Many of these reform processes share the aspiration to give individuals more choice and control, but also bring with them greater competition between providers, funding uncertainty, workforce shortage issues and new ways of demonstrating quality and performance. In order to support this growth and reform, the industry will be required to find new ways of working. This is referred to here in terms of the organisational and industry readiness of the sector, which is concerned with the business and operational models of service organisations and how they will transition and manage new systems and practices required to grow and be sustainable.

Recent VCOSS data[234] demonstrates that most community organisations are small and in the main well run. The majority of community sector charities are relatively small (with revenue of less than $250,000). Less than half of the community sector income is generated through government grants, with the remainder coming from donations, bequests, and other income and revenue. Most community organisations currently have balanced or surplus budgets, with just 13 per cent running a deficit. What this suggests is that these are not large organisations that are highly resourced and able to be adaptive to quick and significant reform. The reform processes already in train and those that will take place over the next few years have significant implications for the governance and management of community service organisations. Studies from other countries have typically identified that community organisations lack the willingness, capability and capacity to engage in market-based reform processes[235] and it is likely that, without careful planning and strategizing these patterns will be similarly experienced in the Victorian context. Times of organisational change can

be stressful and lead to disruptions as new practices, processes and ways or working are adapted to. As such, individual organisations and the sector as a whole will need to be ready so that they are able to easily transition into these new systems and continue to support their end users as they do so.

Current and emerging trends

In this section a number of national and international trends are set out that might impact and shape Victoria over the next decade and therefore need to be considered in industry planning. What is clear when we examine these patterns is that the sector will undergo significant transformation in the coming years. Not all of these trends are new, and some are a continuation of trends that have been in train for some time and their impact will be felt for longer still. In addition to the trends outlined here, many of the trends that are relevant in terms of governance and leadership will also apply.

Individualisation

Across a number of different policy areas we are seeing the individualisation of services. Such approaches give consumers greater choice and control over the design of their services and the providers that they work with. This involves a number of profound changes for community organisations in terms of the ways that they structure their work processes and support their business[236]. Moreover, this will also bring some profound changes in terms of the culture of organisations in the sense that this should shift where the power resides – away from providers and towards the consumers

[234]VCOSS (2017) *A growing industry: A snapshot of Victoria's community sector charities*, VCOSS: Melbourne.
[235]Chapman, T., Brown, J. & Crow, R. (2008) 'Entering a brave new world? An assessment of third sector readiness

to tender for the delivery of public services in the United Kingdom', *Policy Studies*, 29: 1, pp.1-17.

[236]Dickinson, H. & Glasby, J. (2010) *The personalisation agenda: Implications for the Third Sector*, Third Sector Research Centre: Birmingham.

of services[237]. Providers will need to be more attuned to ensuring that they listen to the wants and needs of consumers and work with individuals to accommodate these. We know from the academic evidence that culture change is difficult to achieve[238] and needs considerable time and attention to make this happen. Yet the costs of not doing this are significant. If individual organisations and the sector as a whole do not move to change the way that they operate, there is the potential that some consumers may choose to go with other service providers.

We know from the academic evidence that culture change is difficult to achieve and needs considerable time and attention to make this happen. Yet the costs of not doing this are significant.

In preparing to ensure that services can be individualised in the most effective way, providers may wish to consider their specific focus. Some organisations may wish to focus on one particular group or area and build up their expertise around this in a specialized way. Others may wish to diversify beyond their current base utilizing a particular approach or expert method as their selling point to their client base.

Whichever technique is adopted there needs to have been an explicit discussion and decision about the direction that the

organisation will head in and how the business and workforce will be supported to embark on this journey.

Having established this there is also the question of how potential consumers will find out about these services. New tools are starting to emerge that will support organisations to do this. For example, Clickability[239] is an online service directory established to offer ratings and reviews of services from people with disabilities. Such a site lists service providers in a way that is accessible to people with disabilities and also provides information about these from those who have received services.

Workforce, training and pay and conditions

Many of the current reforms that Australia's social service sector is facing have significant implications in terms of workforce. In the disability sector, the Productivity Commission[240] has noted concerns that major cities may not have the capacity to recruit sufficient staff to service the NDIS. Similarly, it is predicted that the aged care workforce will need to increase from today's 366,000 to 980,000 by 2050 to meet the needs of increasing numbers of older Australians accessing aged care services[241]. In some rural and remote areas of Australia we are already seeing reported workforce shortages.

It is not only numbers that need to be recruited to ensure that the sector is ready, but also in terms of the skills, qualities and capabilities to deliver the types of services individuals want and need. A number of care roles in Australia have minimum

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[237]Purcal, C., Fisher, K. R. & Laragy, C. (2014) 'Analysing choice in Australian Individual funding disability policies', *Australian Journal of Public Administration*, 73: 1, pp.88-102.
[238]Mannion, R., Davies, H. T. O. & Marshall, M. N. (2005) *Cultures for performance in health care*, Open University Press: Maidenhead.
[239]https://clickability.com.au/, (Last accessed Jan 18th, 2018)

[240]Australian Government Productivity Commission (2017) *National Disability Insurance Scheme (NDIS) Costs: Productivity Commission position paper overview and recommendations*, Productivity Commission: Canberra.
[241]Committee TSCAR (2017) *Future of Australia's aged care sector workforce*, Commonwealth of Australia: Canberra.

qualifications, compared to other countries where qualification levels are not always mandated for roles[242]. If we already have gaps in terms of the workforce market it is likely that these will increase in coming years so finding ways to attract, recruit and then develop staff will be a key issue. This is not an issue that individual organisations will be able to address on their own in a significant way. Industry-wide strategies will be required to ensure that there is a coherent response to these challenges in partnership with other key stakeholders (e.g. governments, training agencies).

As already outlined, one of the aims of individualised service reforms is that they should offer greater choice and control to consumers. However, there is some evidence to suggest that his might come at the expense of those working in caring roles and so we need to pay attention to the pay and conditions of these workers.

A key challenge for community organisations will be to ensure to continue to provide a safe and quality work environment for staff during these change processes

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As providers are competing with one another to a greater degree they are required to be more flexible as will care workers, which could have implications for the predictability of their work[243]. NDIS prices for services are

capped at particular rates and a number of providers have suggested that this level is insufficient to deliver services[244].

In order to allow them to deliver NDIS services there is some evidence that organisations have created two-tier workforces with different pay and conditions depending on the funder of these services[245].

In the UK, there is a growing literature from the social care sector to suggest that improvements in choice and control on behalf of people with disabilities comes at negatively impacted working conditions for those in caring roles[246]. There has certainly been an increase in the numbers of individuals on so-called zero-contract work arrangements.

A key challenge for community organisations will be to ensure to continue to provide a safe and quality work environment for staff during these change processes.

New forms of partnering

As outlined at various points in this paper, community organisations will not individually be able to make all of the changes required and there will need to be new forms of partnering between organisations and across the industry as a whole. Individual organisations may find that they are not viable within the new system due to their scale of operation or the types of services that they deliver.

In these cases, it is likely we will see a number of mergers of organisations as they come together to provide more expanded or different types of services. We may also see

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[242]Dickinson, H., Sullivan, H. & Needham, C. (2015) 'Self-directed care funding: what are the implications for accountability?', *Australian Journal of Public Administratio*, 73, 4, pp.417-25.
[243]Macdonald, F. (2016) 'New risks for disability care workers under the NDIS', *The Conversation*, 22 August 2016.
[244]VCOSS (2017) *VCOSS submission to the Productivity Commission's position paper on NDIS costs*, VCOSS: Melbourne.

[245]Health Services Union (2017) *Issues paper submission – Productivity Commission inquiry into NDIS Costs*, HSU: Melbourne.
[246]Ungerson, C. & Yeandle, S. (2007) *Cash for care systems in developed welfare states*, Palgrave Macmillan: Basingstoke.

acquisitions as organisations seek to take over others to prevent competition or to enhance their service offering. These kinds of changes may secure longevity and market position, but they can have a significant impact on those who work with them if the more 'human factors' are not taken into consideration[247]. Mergers and acquisitions can also have an impact on the values of the organisation and work needs to be undertaken to examine the impact that these processes have on the mission of the organisation.

As outlined in the Governance and Leadership (this volume), mergers and acquisitions are not the only available options in terms of the potential working relationships between community organisations. There are a range of other potential forms that have different requirements and implications[248], although many of these are not well understood across the sector. There is therefore a need for the industry to help describe and communicate these various options and support their development.

Many of the reform processes that are currently taking place will put an additional layer of competition on top of existing collaborative relationships across the sector. Individual organisations, and the sector as whole, needs to be ready to compete and to collaborate and often with the same kinds of partners. This requires some significant skills within organisations, but also means that the overall policy framework and structure that they operate within requires goal clarity if organisations are to be incentivized to operate in effective ways[249]. If

the strengths of community organisations are to be valued and seen as an important component of the service delivery context, then we need to ensure that these are effectively captured and able to be measured and recognised[250].

Many of the reform processes that are currently taking place will put an additional layer of competition on top of existing collaborative relationships across the sector

What could the future system look like?

The evidence suggests that the future system will change significantly, and this has clear implications for the preparedness of individual organisations and the sector as a whole. There are many suggestions about what the system should look like, although somewhat of a lack of evidence about how this might be achieved and the most effective ways for individual organisations and the sector as a whole to be readied for these changes. From the existing evidence is seems likely that the following themes will be important, but there is also the need for an evidence base to be built to help support this transition process:

- **Specialisation or diversification** – In a more competitive environment, organisations will need to decide whether to specialise their services to

[247]Cartwright, S. & Cooper, C. L. (1990) 'The impact of mergers and acquisitions on people at work: existing research and issues', *British Journal of Management*, 1, pp.65-76
[248]Rees, J., Mullins, D. & Bovaird, T. (2012) *Third sector partnerships for public service delivery: an evidence review*, Third Sector Research Centre: Birmingham.
[249]Vos, S., Vandermeerschen, H. & Scheerder, J. (2016) 'Balancing between coordination, cooperation and

competition? A mixed-method approach for assessing the role ambiguity of local sports authorities', *International Journal of Sport Policy and Politics*, 8: 3, pp.403-19.

[250]Dickinson, H., O'Flynn, J. & Sullivan, H. (2014) *Valuing the community sector*, Community Sector Reform Council: Melbourne.

address a particular niche in the market, or expand to diversify and deliver new types of services.

- **Partnerships** – Community services organisations currently have a range of partnerships and strategic alliances between organisations with different skills and expertise. These will likely change as organisations determine what their areas of strength and expertise are within the new system and what relationships are needed to operate effectively.

- **Place-based networks** – Many organisations already have a range of place-based networks. Some organisations may choose to operate within a single local area, while others might operate across multiple local areas or nationally.

- **Building governance and leadership capabilities** – Continued strong leadership and organisational governance will be an essential element of organisational and industry transformation. This is described in further detail (*see* Governance and leadership, this volume).

- **Business model development** – In an environment where there may be mixtures of block and person-centred funding, community services organisations may need to develop financial and business models that ensure they can sustain balanced budgets, invest in training of staff and continue to deliver quality services.

- **New technologies** – Technology has the potential to enable more efficient business processes for organisations that can in turn enable better outcomes for people. The impact of new technology is described in further detail (*see* Information sharing and technology innovation, this volume).

- **Training and skills development** – Investing in training and skills development is an essential component of quality service provision, strong corporate governance, financial management and information technologies. The need for workforce training and development is described in more detail under (*see* Workforce of the future, this volume).

- **Quality systems** – Quality systems and quality assurance processes will be increasingly important as the sector grows. Strong quality systems are also critical in a self-directed funding environment where people who use services have more independence but may take on higher levels of personal risk. The need for regulatory frameworks that retain quality and safety standards is described (*see* Regulatory framework, this volume).

- **Competition** – As the sector grows and if the trend of market-contested funding increases, there is the likelihood of increased competition between organisations and the entry of new organisations, including for profit, into the market. Services will need to consider how to balance collaboration with other services with competition, and how to attract people needing services in new and innovative ways.

A question in creating this system of the future is who will support the costs of change. As outline above, many community organisations are small scale and arguably not equipped to embark in significant and costly reform processes. Leadership will be required that builds on the value of the community sector, demonstrating where it is able to add value compared to others within the system. To do this will need good data and monitoring systems so that we can ensure that we are gaining the greatest value from the different constituent parts of this system.

Case studies of good practice

One of the challenges when looking at the evidence around organisational readiness is there is not a vast volume of high quality evidence pointing to the most effective ways to deliver this. Many of these issues involve quite new reforms to services and one the sector has not faced in a substantial way previously. Moreover, these reforms are impacting organisations in different ways according to their context and specific aims and objectives. As such, it makes it difficult to be definitive about one simple best way for organisations or the industry as a whole to prepare for these changes. What is clear is that we need both better data about how to build capacity within individual organisations and the sector as a whole and better data about where there are current gaps. Without good evidence about the current state of the sector then it is difficult to design appropriate systems of support and to evidence their impact.

This was one of the major messages from the UK's ChangeUp scheme, which was a £231million programme to improve support services in the Third Sector. A key message was that it was difficult to be definitive about the impact of the scheme because it lacked a good understanding of the need within the sector at the outset[1]. Similar conclusions were noted in terms of the implementation of Victoria's Strengthening Community Organisations Action Plan, a $13.8 million action plan that had building the capacity of the community sector as one of five core themes. A review of this scheme by the Victorian Auditor-General's Office found that although most actions and outputs were completed, there were weaknesses around planning, implementation and evaluation which meant that it is difficult to demonstrate that the intended outcomes were fully achieved or that this was implemented efficiently and effectively[1].

The evidence also suggests that there are a series of important questions that the organisation and the sector as a whole might consider in best tailoring an approach that works for them:

- Do you have a clear purpose agreed with stakeholders about where and why you want to build capacity?
- Have you tailored an approach to your organisation's specific needs through a thorough diagnostic process?
- Are you clear about what you want to be delivered and the best provider to deliver this?
- Does the capacity building approach include a range of different mechanisms that would work to involve the whole organisation?

In the UK, The Big Lottery Fund worked with the Third Sector Research Centre at the University of Birmingham to examine the evidence base and identify best practice in how to develop the skills, knowledge and confidence of individual organisations1. An important finding of this work is that any approaches need to be carefully tailored to the individuals' characteristics and circumstances of the organisation and the context that they operate within. Building on this – and other related literature reviews – the Big Lottery Fund has developed a number of resources to support building capacity and capability in organisations and of different sizes (see https://www.biglotteryfund.org.uk/research/making-the-most-of-funding/building-capacity).

CHAPTER TEN
Embedding evidence

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Why is evidence so important?

Evidence is of central importance in delivering social services to vulnerable and at risk Australians. Such data that can be used for prioritising and strategising service delivery based on proven and evaluated outcomes and it may inform evidence based skills, practices and policy. But evidence is costly to produce. Larger private providers with dedicated data analytic and research departments may absorb such costs and treat such data as privileged. Independent research available to all remains vital to the community sector but only a select few organisations in the not-for-profit sector can afford to fund their own research departments. It is, however, vital that the added value of the community sector, given its unique values and approach, is a focus for building evidence, and that strategies are developed for sharing and linking the data across the sector[251].

What is evidence?

Like any human activity, the community sector is awash with activities all of which may form *data* upon which it can make judgements about its outcomes, its efficiency, what constitutes best practice and through which it might predict and consequently strategize its future. Many of the papers in this report provide us with 'evidence'. It has been posited in the form of large scale statistical studies, use of big data and predictive analytics, from evaluative studies, from individual case studies and from co-design, amongst many other approaches. Evidence rests upon the systematic analysis of data. Its rigour and validity need to be demonstrable in order to be *persuasive and to have utility*.

However what constitutes such evidence remains subject to a vast array of debates about *inter alia*, the very nature of valid knowledge itself; the fashionable data and analytic approaches of the time; in relation to future needs particularly at a time of flux (as exists within the community sector today); in terms of the capacity to respond to diversity rather than central tendencies; and, pragmatically, simply about what works and what does not. Given the parties involved in the *translation and use* of evidence may have competing value positions on what constitutes good evidence, a further tier of dispute may result.

Evidence then, is not value free and 'facts' are often open to dispute. Building *trust* around the validity or rigour of evidence is therefore vital particularly at a time when the public distrust of large systems, organisations and of science, is reaching new heights[252].

Below a focus on innovative approaches to evidence production is used to explore new potential for the sector and benefits and limitations are outlined. Conclusions are then drawn about the future of data in and for the community sector.

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[251]Joint Councils of Social Service Network (2016) *Data availability and its use*. Submission to the Productivity Commission.

[252]Zagsebski, L.T. (2012) *Epistemic Authority: A theory of Trust, Authority and Autonomy in belief*, Oxford University Press: Oxford.

Big data, predictive analytics and combining datasets.

Big Data: Attractive to the community sector, but as yet largely untried, is research using Big Data which makes significant claims of success, particularly in the health and biomedical fields, as well as more broadly across business. The approach looks for patterns in vast data sets, rather than testing a theory[253]. It requires significant technical and statistical skills. Yet it is more efficient than previous methods and can allow real time analysis. Raghupathi and Raghupathi (2014) argue that

> "– *clinical data, clinical decision-support systems, medical imaging, pharmacy patient records, vital signs monitoring data, social media emergency care data, genomic analyses, patient profiles, news feeds, journal articles – offer the chance to find associations, patterns and trends that can improve and better target clinical decisions, save lives and reduce costs".*

Using such digitised data sources, the authors point to one health alliance of 330 hospitals in the US saving 29, 000 lives and US$7 billion; reductions in hospitalisations of 30 per cent; and of imaging referral rate reductions of around 61per cent, amongst many other examples.

Big data can be adopted as a diagnostic aide, for strategic planning and targeting of services, efficiency applications whilst improving clinical and health outcomes, saving lives and saving money. Big data analytics can seem very attractive! But, for the community sector there may be issues: lack of consistent and systematic use of digitisation in the community sector; complexity and the assumption that people are always predictable and rational and that solutions are always clear[254]; discovered patterns failing to take account of the historical, cultural, political, policy, governance and economic environment and so requiring expert interpretation by those conversant in the field[255]; and questions of what data in the social realm it is ethical to access[256].

Predictive analytics: Similar issues about the unpredictability of the social world and the context of everyday lives and histories may also plague predictive analytics (PA) which, once more, have been used in health and medicine by predicting outcomes for individual patients.

Homelessness Case Study, New York: Flinker, A. (n.d.) Bridging the Gap Between Big Data and Social Services

Following strict confidentiality and security protocols several anonymised datasets were shared for data mining: eviction notices from the housing court, data on families who had become homeless, homeless shelter entries, time lapsed data between eviction notice and shelter entry, reports to social services and geo-locational data, purchased datasets on demographic information and, having linked the data, created risk scores around 'informative features' of homelessness'. This allowed social service staff to apply better targeted preventive interventions dependent upon risk. Other service relevant work around communication was also revamped with increased digital output and less stigmatizing language.

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[253] Kitchen, R. (2014) 'Big Data, new epistemologies and paradigm shifts', *Big Data and Society*, April to June, pp.1-12. p.2 DOI:10.1 177/205395171 4528481

[254] Brooks, D. (2013) 'What data can't do', *New York Times*, 18 February 2013:

http://www.nytimes.com/2013/02/19/opinion/brooks-what-data-cant-do.html (accessed 18 February 2013).

[255] Kitchen, R. (2014) 'Big Data, new epistemologies and paradigm shifts', *Big Data and Society*, April to June, pp.1-12. p.2 DOI:10.1 177/205395171 4528481

[256] Neff, G. (2013) Why Big Data won't cure us, *Big Data*, 1, 3, pp.117-123.

'The central element of PA is the predictor, a variable that can be measured for an individual or other entity to predict future behaviour'[257]. For example, in people with Type 2 diabetes data may be recorded in relation to diet, exercise, stress, employment, housing, family size and so forth, to create a combined predictive model. By exploring future probabilities using the model predictions and best treatment paths can be created for each individual patient.

At the least the community sector should be exploring with experts how and whether Big Data and Predictive Analytics have utility in the social service sector. A good starting point for Big Data may be the extent to which present level of digitisation has potential utility value for the sector and what increases in digitisation would be required to make such data viable.

The capacity of PA to untangle complexity around circumstances of vulnerability may have some predictive potential and this can be explored. However, unlike health, access to services may be less comprehensive and not so well funded, and the circumstances of vulnerable people may change very quickly, making prediction more troublesome.

The application of Big Data and PA to the community sector needs to be better explored but costs for this may be prohibitive to the sector without additional funding.

However, unlike health, access to services may be less comprehensive and not so well funded, and the circumstances of vulnerable people may change very quickly, making prediction more troublesome.

Combining datasets: Specialist statistical work combining administrative datasets[258] linking country level, national level aggregate data, local authority aggregate datasets, national surveys and so forth, is another innovation with potential not least given such data is often available longitudinally[259]. There is emerging evidence about the applicability of this approach across the community sector, inter alia: child mistreatment[260], planning around socio-demographic and clinical profiles of people with intellectual and developmental disability[261], effectiveness of poverty programs[262], workforce studies[263], personal budgets and levels of abuse[264], to name but a few. Prediction and strategic planning may ensue, though it remains to be seen whether it can offer any more clarity on sector outcomes, something with which the sector

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[257]Gabay, G., Moskowitz, H., Onufraey, S. & Rappaport, S. (2017) 'Predictive modelling and mind-set segments underlying health plans', in Sahu, R., Dash, M. & Kumar, A. (eds) *Applying Predictive Analytics within the Service Sector*, IGA Global: Hershey, PA., p.135.
[258]Hussein S. (2011) *The use of 'large scale datasets' in UK social care research*, Method Review 5, National Institute for Health Research, School of Social Care Research, the London School of Economics and Political Science. London.
[259]Culhane, D. (2016) 'The potential of linked administrative data for advancing homelessness research and policy', *European Journal of Homelessness*, 10: 3, pp.109-126.
[260] Brownell, M. D. & Jutte, D. P. (2013) 'Administrative data linkage as a tool for childhood maltreatment research', *Child Abuse and Neglect*, 37: 2-3, pp.120-124..
[261] Lin, E., Balogh, R., Isaacs, B., Ouellette-Kuntz, H., Selick, A., Wilton, A. S., Cobigo, V. & Lunsky, Y. (2014)

'Strengths and limitations of health and disability support administrative databases for population-based health research in intellectual and developmental disabilities', *Journal of Policy and Practice in Intellectual Disabilities*, 11: 4, pp.235-244.
[262] Meyer, B. D. & Mittag, N. (2015) 'Using Linked survey and administrative data to better measure income: Implications for poverty, program effectiveness and holes in the safety net, *Upjohn Institute Working Paper no.15-242 avl.*
[263]Hussein, S. & Manthorpe, J. (2014) 'Structural marginalisation among the long-term care workforce in England: evidence from mixed-effect models of national pay data', *Ageing and Society*, 34:1, pp.21-41.
[264] Ibid.

has struggled for quite some time. However, it has also been mentioned that 'unlike businesses that have dedicated infrastructure…the datasets available to most social services are legacy-based and designed for different purposes'[265]and the same can be said of Big Data. Given this to be the case prior questions arise about the minimum datasets that would be required by the sector and what utility they would have if available. Further, we should remain alert to Andrews' warning (this volume) about risks premised solely upon performance management criteria.

Innovations in evidence from qualitative data and through new mechanisms for co-design

Patterns and generalisability may mediate validity for large data, but everyday practice has long relied on more nuanced and detailed analyses of the everyday delivery and experiences of those receiving support from the sector. The rigour of such data, given small samples involved, has led to criticisms that the narratives presented cannot be used across all potential users and in diverse contexts, i.e. that it suffers issues with transferability of evidence.

One recent approach to this issue is to seek to develop a means of applying systematic review approaches[266]. These can be used to explore any 'body of qualitative research' on a specified topic using 'specified technical reporting standards', though what these standards should be remains a heated debate for researchers. Another approach to increasing the utility of qualitative evidence, adopted by HealthTalk Australia (a sub group of a larger international collaboration led from Oxford University in the UK), has been to; draw samples across an agreed diversity of people in relation to any one issue (to reflect the range of experiences), to use the data for analytic purposes and to make recommendations and, further, to make available narratives that stand alone but which can be backed up by analytic rigour designed to address key questions from evidence in the narratives.

Case Study: Options for supported decision-making to enhance the recovery of people experiencing severe mental health problems[267]

A large advisory group covering services, experts by experience, community sector leaders and others carefully identified a sample of people across mental health problems, city and regional and across age groups and family supporters and friends and mental health practitioners made up a total sample of 90 interviews. The resultant website[1] carries 29 profiles people with mental health problems (subject to consent and member checking). A separate report and academic publications refer to major findings and evidence is used to recommend changes to supported decision-making practice. The website also carries information and resources of interest to several stakeholder groups.

[265]Flinker, (n.d.) *Bridging the Gap Between Big Data and Social Services*, SumAll.org, New York: https://osf.io/q3n3n/download?format=pdf, (Last accessed Jan 18th, 2018).

[266] Garside, R. (2014) Should we appraise the quality of qualitative research reports for systematic reviews, and if so, how?, Innovation: The European Journal of Social Science Research, 27, 1, pp67-79.

[267]Kokanovic, R., Brophy, L., McSherry, B., Hill, N., Johnston-Ataata, K., Moeller-Saxone, K. and Herrman, H. (2017)*Options for supported decision-making to enhance the recovery of people experiencing severe mental health problems*. Melbourne: Melbourne Social Equity Institute. University of Melbourne.

But qualitative evidence still requires a translation into practice.

In contrast, consequentialist approaches to evidence creation establish participatory practice-based research, building continuous improvement over cycles which are immediately practical, and outcomes based. Co-production, one such approach: "Involving users as collaborators rather than consumers enables them to use frontline professionals' skills alongside other assets to develop services that suit them and bring about positive outcomes. This can also significantly enhance staff's experience of their roles, shifting from reluctant rationing of services into supportive collaborators"[268] (SCIE, 2009).

"Involving users as collaborators rather than consumers enables them to use frontline professionals' skills alongside other assets to develop services that suit them and bring about positive outcomes."

Viewing the span of approaches suggested across the range of approaches discussed above, some have argued for evidence-informed practice[269] in which the systematic collection of evidence is based on rigorous testing prior to use, but where, in addition, the processes delivered must themselves be based upon evidence in their delivery and outcomes based upon the values and beliefs of those using services in establishing service goals. Whilst evidence-informed practice has much merit it does rely on the primacy of science and as has been argued, such clarity may not feature in the work of the community sector. The capacity of such approaches to define often complex social malaise is open to some question as well as the assumption that processes, values and experiences should hang on the coat-tails of scientific and service leadership. Indeed, a counter-argument can be made that any 'objective evidence' should be driven by experience and not the other way around.

As such, we are now entering into a co-design and 'experience-based co-design' (EBCD) delivery mode[270], a 'design moment'. Co-design places less emphasis on co-produced *delivery* of services and more, instead, on those impacted (clients, carers, community members, those delivering services and support) who participate in a process which deliberates to develop common values and a shared value. The collaborative group then works to design service delivery prototypes adapted cyclically over time drawing in disciplinary expertise where needed. The design moment inverts the notion on of evidence-informed practice and highlights that there should always be an interplay between science taking the lead or learning from everyday experience. Perhaps both are necessary for establishing a healthy system of evidence.

Independent of these arguments there is ample advocacy for co-design and EBCD given the attractive mantra that it can 'meet needs, save money, humanise services and engage citizens'[271]as well as improving and enhancing people's lives. Yet as one leading

[268] Needham, C. (2009) *SCIE Research briefing 31: Co-production: an emerging evidence base for adult social care transformation*. London: SCIE.
[269] Moore, T., Beatson, R., Rushton, S., Powers, R., Deery, A., Arefadib, N. &West, S. (2016). *Supporting the Roadmap for reform: Evidence-informed practice*. The Royal Children's Hospital: Melbourne.
[270]DHHS (2016) DHHS Strategic Plan, Treasury Place: Melbourne.
[271] Design Commission (n.d.) Meeting needs, saving money, humanising services, engaging citizens: Restarting Britain 2 - Design and Public Services, Creative Commons, Mountain View: California.

proponent admits there is a need for '...research that tracks outcomes and impacts... and... [that] the results are mixed'[272]. *Walk alongside*[273] provides case studies around co-design in community services.

Bringing the evidence together

The innovative production of evidence described above serves to build in levels of validity, rigour and consequential outcomes which play differing roles reflecting the community service's need for evidence at several levels - policy and strategic, management and services delivery, translation and best practice to increase client choice and control as well as improve outcomes. If the jury remains out on such innovation, there is a need to invest further in testing their efficacy and this will remain a cost to the sector in years to come.

Further, the potential of innovative evidence, alongside evidence from longer established research traditions, may drive change in the sector. However, such change also depends upon improved production of data by the sector itself and, indeed, more systematic collection of such service data.

In this respect, and reflecting other papers in this collection, there is a need for: more localised data sets to support place-based approaches and individualised choice and control; shared consumer record-keeping (over which there remains debate in the sector) and associated ethics to serve large data sets; and, more clarity on outcomes. 'Without the ability to quantify outcomes and accurately calculate long-term systemic costs, there can be no informed discussion as to the impact that greater competition, contestability and user choice would have

within the human services sector and on service users'[274].

In this respect, and reflecting other papers in this collection, there is a need for: more localised data sets to support place-based approaches and individualised choice and control

Community sector organisations are often too small to manage all the tasks laid out above. It will require leadership and funding in a number of areas. Primarily there is a need to find a way to share, translate and distribute evidence. In *Data availability and use*[275] a number of examples are provided of initiatives which undertake these tasks such as JusticeLab UK, Community Indicators Victoria and the Social Policy Evaluation and Research Unit set up by the New Zealand government to support their Social Investment Model.

What is striking about these bodies is that they are set up independent of the sector but have been designed to support the sector. They have, moreover, attracted significant government funding to support their operation and both to support and inform government policy itself. More is said of this in the discussion section of this evidence review. Whether or not such independent bodies are funded, it will remain vital in the future to: establish minimum dataset requirements and the collection of standardised administrative data; build expertise with universities and other research partners for both research and research translation; and consider how shared platforms for cross departmental linked data can better address the complexity of vulnerable groups and individuals.

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[272]Burkitt, I. (2014) 'Co-Designing for social good', *Pro Bono News*, 24 September 2014
[273] VCOSS (2015) *Walking Alongside: Co-designing social initiatives with people experiencing vulnerabilities*, VCOSS: Melbourne: http://vcoss.org.au/documents/2015/08/Codesign-paper-Jul15_Final.pdf, (Last accessed Jan 18th, 2018).

[274]Joint Councils of Social Service Network (2016) *Data Availability and Use*, Submission to the Productivity Commission, VCOSS: Melbourne, p.5.
[275] Joint Councils of Social Service Network (2016) *Data availability and its use*. Submission to the Productivity Commission.

CONCLUSIONS

Weighing the evidence for the community services of the future.

The limitations of research evidence

The subject we seek to address in this section is the extent to which the evidence presented in the preceding 10 reviews inform the development of the community service of the future.

Counterintuitively we work from the limitations of the research evidence. Our central contention is that the community sector is 'research poor'. The limitations have significant impact on the extent to which the findings can be extrapolated. But outlining the limitations also identifies research spaces that need to be filled in the future to support and community sector strategy, policies and practices.

Our central contention is that the community sector is 'research poor'.

One clear limitation is that the authors have written from their own specialist knowledge. This means that some specialisms, particularly around ageing and disability have been privileged. Only so much can be covered given limited space and time. Separate reviews might have been useful to cover other areas such as family violence and those without such a strong current policy focus, for example: homelessness, mental health, housing, homelessness, alcohol and other drugs services; as well as cross-cutting themes relating to Aboriginal

and Torres Strait Islander communities, refugees and asylum-seekers, CALD communities, LGBTI communities, amongst others.

But there are some more fundamental limitations to the evidence. Most of these might be characterise the sector as being 'research poor'. The evidence vacuum allows personal, organisational or political preference, perspectives and predilection to rush in and fill the space and this can produce unintended consequences, inefficiencies, duplication and, at worst, initiative failure.

The variety of ways in which community sector research is limited are summarised below. The ten evidence reviews identified as priority areas by the *Community Service Industry Plan Working Group* in consultation with the sector, asked us to distil key findings that would inform the emergent Industry Plan and to gauge the future research needs of the sector. As such key points addressing these criteria are set out in numbered boxes in the following discussion.

Limited evidence and the quantum of research

Lack of evidence

Many of the reviews pointed to a lack of research evidence and for a number of reasons as outlined below.

The pace of technological change is breathtaking as well as the wealth of potential applications across the sector. Karanasios (this volume) has usefully marked out the potential of new technologies and pointed to the efficiencies it can achieve. However, whilst case studies are useful, there is very little systematic research on their wider adoption and concomitant outcomes. Furthermore, for organisations in the sector there are remaining questions about interoperability, shared platforms and data sharing. The relevance of these to efficiencies around governance arrangements and reporting of outcomes is clear, but as yet untried as a sector-wide approach.

There is a growing awareness that technology, adopted across the sector, might produce better real time data which informs policy, strategy and service organisation and provision.

Amongst its recommendations in *Data Availability and its Use*[276] ACOSS recommends some changes which would be supported by new technology; 'develop a centralised mechanism for data integration

[276]ACOSS (2016) *Data Availability and its Use*, Joint Councils of Social Service Network submission to the Productivity Commission. p.4.

Findings 1

- There is an ever-increasing pace to technology and IT innovation.

- Case studies of change can be useful to explore their impacts and outcomes.

- The potential of new technology to produce 'real-time' data that is of research use needs to be explored.

- However, where they have possible sector-wide application, there is a need to research *inter alia*: the applicability to diverse sector organisations; the costs of implementation; the required systems for interoperability; as well as analysis of their impact, efficiency and outcomes.

- Like all decisions about implementation of cross-sector change an important underlying principle must be to conserve the mission and values of the community sector.

and dissemination to inform policy and program development and collaboration; investigate the benefits and risks of a shared consumer record; invest in IT platforms that encourage information sharing and ensuring data integration, linkage and utilisation activity'. There is a growing awareness that technology, adopted across the sector, might produce better real time data which

informs policy, strategy and service organisation and provision. Furthermore, the relevance of these to efficiencies around governance arrangements and reporting of outcomes is clear, but as yet untried.

Questions arise as to where the costs for such an investment lie but, if Karanasios is correct the efficiencies secured will likely offset the initial investment costs. It should be noted that sector consultation would be vital in making choices in these areas. Independent of sector-wide application the introduction of new technology is so fast that it may be that research through co-design might drive changes in service delivery based on evidence.

However, a key problem for the sector in the coming years, as will be noted below, is making sure that it stays on mission and maintains its values despite the paradigm-shifting changes with which it is confronted.

Policy is too often adopted prior to, and, not as a result of the evidence.

A key problem for the sector in the coming years… is making sure that it stays on mission and maintains its values despite the paradigm-shifting changes with which it is confronted.

In her chapter on regulatory frameworks, Dickinson (this volume) argues that 'the evidence reviewed... suggests that organisational and technical change in regulatory environments have been one step ahead of the sector, that such changes are seldom evidence-based and that regulators adopting top down and tight regulatory

Findings 2

- Policy is often adopted prior to, and not as a result of the evidence.

- Empirically based regulatory and associated outcomes research is thin on the ground.

- It is essential that in areas where there is little evidence that policy and associated practices are systematically evaluated for their impact and relevance to the community sector.

- Evaluation and research should be collaboratively developed with the sector.

approaches impose massive costs to the sector in continually responding'.

Related to this, in her useful review, Andrews (*see* Strengthening outcomes, this volume) compares two approaches to outcome measurement - Proving Outcomes versus Improving Practice. She asks:

'Which approach delivers better outcomes? We don't know. There is very little evidence on the outcome of outcomes frameworks'[277].

As discussed later there is major work to be undertaken in the sector around clarity over outcomes and about their measurement but the reinforcing point at this juncture remains the paucity of evidence in this, amongst many other areas.

Dickinson also says (see Governance and Leadership, this volume) that evidence on governance and leadership is weak being

[277]Cook, A. (2017) *Outcomes Based Approaches in Public Sector Reform*: http://whatworksscotland.ac.uk/publications/outcomes-

based-approaches-in-public-service-reform/: (accessed 13 October 2017).

'descriptive, normative and lacking strong theoretical and empirical foundations'. More tellingly she argues in relation to organisational and industry-readiness (this volume) that:

"we find much written about what should be done, but less in the way of evidence to clearly demonstrate how this might be achieved".

There are, then, several areas in which it can be said there is precious little evidence at all.

This highlights the vital role research can play in pointing to aligned, efficient and informed policy-making, strategic planning and service delivery which does not harm organisations in the sector and which is designed so as to maintain the sector's mission and values. Further, where there is no evidence, comparative evaluation of competing policy implementation or initiatives in areas of innovation is essential so that a choice can be made between competing approaches or options. Such evaluations should, as instructed by Cordoba (this volume), have strong program logics and designs that are collaboratively developed with the sector.

A further sub-category in which evidence may be inappropriately used occurs when evidence is assumed to have application to the community sector. Laragy (*see* Person-centred services, this volume) argues research on person-centred services has often come from overseas studies in which there are markedly different policy environments. The same may be true in relation to place-based services and flexible person centred funding, though the findings here seem a little more generalisable across jurisdictions and despite context.

Some evidence may inform policy and practice because of successes in other sectors. For example, the value of predictive analytics (PA) has been proven in several

Findings 3

- Care needs to be taken in extrapolating research findings from other jurisdictions, contexts or policy and practice areas such as health, business management and so forth.

- Research on person centred models shows consistently across jurisdictions that they succeed where there is sufficient funding, where information and support contribute to decision-making and where services and workers are available.

- Research on person-centred, place-based services and, to a lesser extent, on flexible person centred funding models and workforce studies, draw heavily from overseas research. More research is required in Victoria in these areas.

- An assessment needs to be undertaken on the value and applicability of Big Data, Predictive Analytics and combining administrative datasets as potentially useful research approaches for the community sector.

- There is a very strong argument for developi**ng 'sector research for the sector'.**

medical and health settings (*see* Ramcharan, this volume). Working with corporate governance arrangements may change the nature of the sector, its values and mission. Can such corporate governance arrangements for business be exported to the community sector as surrogate for models tested within the community sector itself?

Herein lies a conundrum – can the PA approach or findings from other policy and practice areas simply be extrapolated to, and then used, in the community sector? Working with complexity and vulnerability may resist the simplicity of, say, analysis of health outcomes where the targets are discrete and easily measured.

Furthermore, even where evidence points to research activity, there are many gaps that might still be filled. The importance of *sector research for the sector* is highlighted as a vital premise for the collection and use of evidence and for the testing of new approaches.

Lack of robust evidence

Like the absence of any data described in the previous section, informing the sector about preferred approaches also becomes problematic where the evidence is not robust. In this respect some of the reviews pointed to key gaps in the evidence base.

For example, the evidence on place-based approaches (Cordoba, this volume) highlights that, *inter alia*: The complexity of context presents problems in isolating causative factors; short term evaluation cannot target and measure long term intergenerational change; and the impact of structural variables around policy and locational context obfuscates direct comparison and, hence, transferability of evidence.

Cordoba therefore asserts that there is a dearth of evidence around place-based approaches and warns that the evidence should not simply service administrative purposes. There is a vital role for well-established comparative evaluations of initiatives to identify best practice in implementation, as well as outcomes of place-based initiatives, alongside longer term longitudinal research to explore change and sustainability of initiatives over time.

Findings 4

- There is a need for more comparative evaluation of Victorian place-based initiatives in which the community sector is involved with other groups and organisations.

- Longitudinal research may address some of the limitations of place-based studies allowing more isolation of causative factors and around intergenerational change and sustainability.

- Longitudinal research is also needed to explore comparative outcomes of differing approaches to person centred services.

- The convergence of workforces and services which often implicate community sector and health initiatives in collaboration with others, requires careful planning to allow management of any such change to be grounded in an established evidence-base from the outset.

- Principles of co-design suggest that in operationalising multi-sector, multidisciplinary research, that stakeholders are brought together early to develop shared values around the research approach itself.

A further and important factor is that place-based approaches almost inevitably involve significant collaboration with health, employment, local community groups and others. Once again, the relevance of

research in which stakeholders are involved in the co-design of such studies is vital.

Longitudinal studies were also referenced as necessary in relation to *person-centred services* – 'differing organisational approaches will differentially impact other person centred outcomes. But without longitudinal studies it is difficult to appraise relative outcomes of the differing approaches' (Laragy, this volume). And whilst there have been significant attempts in the workforce data to bed in such approaches (Kyle, MacDonald and Bentham, this volume) there remain limitations in Victoria, for example in relation to registration requirements for community sector workers, as well as possibilities in the future with adopting advanced statistics around combining administrative data and perhaps the use of Big Data also (Ramcharan, this volume).

Importantly the present and unique context in which community services are operating in Victoria prompts Kyle, MacDonald and Bentham (this volume) to suggest that, 'This demand-driven, client-centred focus in a more competitive environment requires an evidence base (and thus data and research)' independent of the already significant amount of workforce research nationally and, indeed, internationally.

There is one further category in which the production of robust evidence needs to be further developed - this is described in a separate sub-section below.

Hard-to-reach groups - Winners and losers

Laragy on individualised funding points to the winners amongst people with disabilities who have funding, information and support and relevant services and workers to address their chosen lives. However there remain worse outcomes amongst those who do not receive services and those unable to

Findings 5

- Much has been accomplished in studies of the workforce for the future in Victoria but the special circumstances relating to the growth of the disability and aged care workforce need particular focus immediately.

- Consideration of registration requirements for community sector and others engaged in the social care sector needs to be carefully considered since such data, consistently collected, will make future research more rapid.

- There is an urgent need to explore the potential of combining administrative datasets and perhaps Big Data in workforce research in Victoria.

- Individualisation and marketised economies will produce the need for new workforce skills. The convergence of multi-skilled workers who can operate across different sectors in Victoria, for example ageing and disability, will also impact training. By implication there is a vital need for research to address alignment between new training and sector needs.

advocate for themselves. This is further exemplified in the chapter on person centred services (Laragy) in which there remain huge debates on how to best hear the voices and choices of those who are most vulnerable or where it is harder to understand their communication.

Not everyone has benefited from place-based services, but as Cordoba (this volume) says of the evidence in his review, very little research has been done on the barriers to community engagement and to

those who have not benefited from such initiatives. On many occasions research on service delivery points to worse outcomes for those with complex needs, those from Indigenous and CALD and refugee communities as well as those who live in thin markets (e.g. rural and regional areas) or who fail to qualify for services. Recurrent issues amongst these groups might seem intractable despite research effort - so more research is needed to address the needs of these, the most vulnerable of our citizens.

Almost every policy change produces winners and losers from amongst those to whom the policy is meant to apply. It is essential that research does not stop at current findings where there are clear issues for some individuals or groups. Karanosios sees potential in social media to reach hard to reach groups and others as the 'digital expectations' amongst the population increases, though much remains to do in terms of the ethics of 'harvesting' such data. Whatever the prospects of social media, however, a lot more work needs to be undertaken for hard to reach groups or groups which do not benefit from policy and practice change. However there is a danger in a marketised system that these individuals or groups may become less attractive customers, and that their vulnerability will deepen.

The above review of the limitations to research in and for the community sector points to a sector that is 'research poor'.

It is difficult to quantify this in terms of the volume of research funding committed from federal, state and research councils given there is no single classification code for 'community sector research'. Under ABS Standard Research Classification the majority of research is likely to fit into a

Findings 6

- Evidence reviews in which outcomes for service users were explored all pointed to 'winners and losers'. This was true in relation to person-centred funding, place-based approaches and person-centred services.

- It is essential that research evidence is built around 'hard to reach' groups as well as those for whom new approaches may not work well. These groups include, *inter alia*: those who are most vulnerable, those whose communications are difficult to understand, CALD communities, Indigenous groups, asylum seekers and refugees, those who fail to quality for services, those in thin markets, amongst others.

number of Fields of Research codes under the wider classicisation 16 - Studies in Human Society, so broad as to make identification of sector research problematic. Mirroring this opacity around community sector research funding, in a performance review[278] of Australian Government research and development expenditure for 2016, the majority of research funding for the community sector is hidden in the 'other' category which includes social systems, structures and processes (See Figure 3 below).
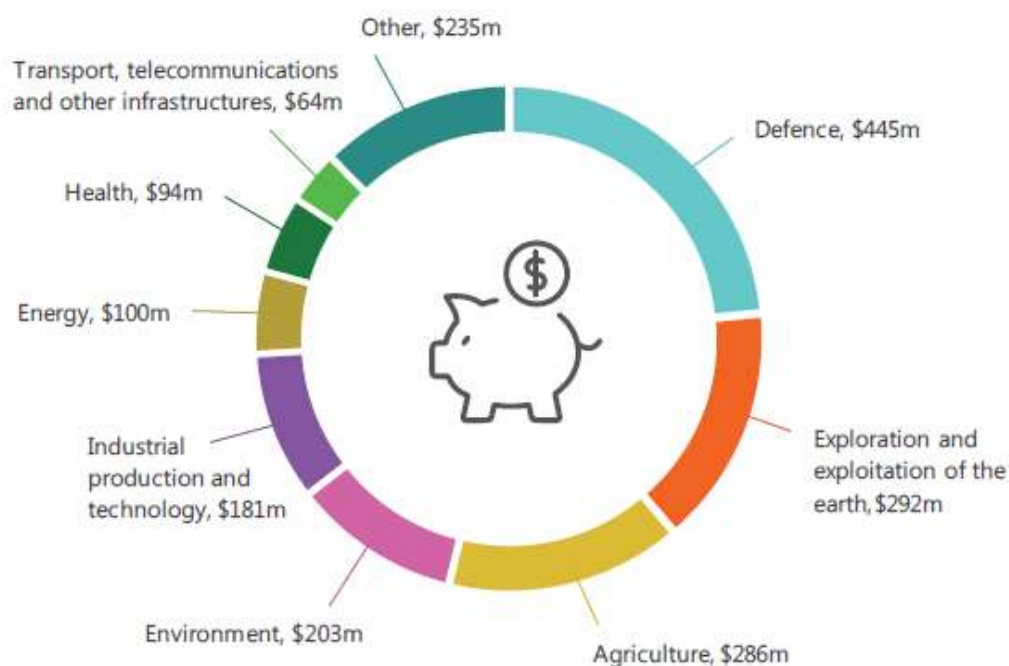
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[278] Commonwealth of Australia (2016) *Performance review of the Australian Innovation, Science and Research System.* Commonwealth of Australia, Canberra. p. 23

Figure 3: R&D expenditure by socioeconomic objective, Australian Government agencies, 2016-17

Figure 8: R&D expenditure by socioeconomic objective, Australian Government agencies, 2016–17.

'Other' includes education; culture, recreation, religion and mass media; political and social systems, structures and processes; exploration and exploitation of space; and general advancement of knowledge financed by general university funds or other sources.[103]

Other, $235m

Transport, telecommunications and other infrastructures, $64m

Health, $94m

Energy, $100m

Industrial production and technology, $181m

Environment, $203m

Defence, $445m

Exploration and exploitation of the earth, $292m

Agriculture, $286m

Yet there would appear to have been a focus on the socioeconomic objective (SEO) 'social development and community services' just 20 years ago[279] as shown in Figure 4 overleaf.

Figure 4 shows that even at that time the level of funding for social development and community services research was much lower than spending on natural sciences, technologies and engineering, environmental knowledge, defence and, interestingly, health. Given the size of the community sector, its importance to building strong communities and a stronger Australia, the size of its workforce and its growing importance in years to come, it is perhaps instructive that mention of the sector seldom features in government research publications. Apart from critical current policy issues such as the NDIS nationally or in relation to family violence in Victoria, the community sector as a whole as well as research are seldom at the top of any ongoing agenda for discussion and funding. Yet in terms of the economy the community sector is by far the fastest growing sector and central to maintaining a good life for all Australians. The sector merits its own hypothecated funding and should be monitored in relation to a research investment that reflects its importance.

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[279]Matthews, M. & Howard, J. (2000) *A study of government R & D Expenditure by Sector and Technology.* Commonwealth of Australia, Canberra.

Figure 4: Breakdown of the $2.3b of underpinning research funded by the Commonwealth by socioeconomic objective, 1996-97

Fig 2: Breakdown of the $2.3bn of underpinning research funded by the Commonwealth by socio-economic objective, 1996-97
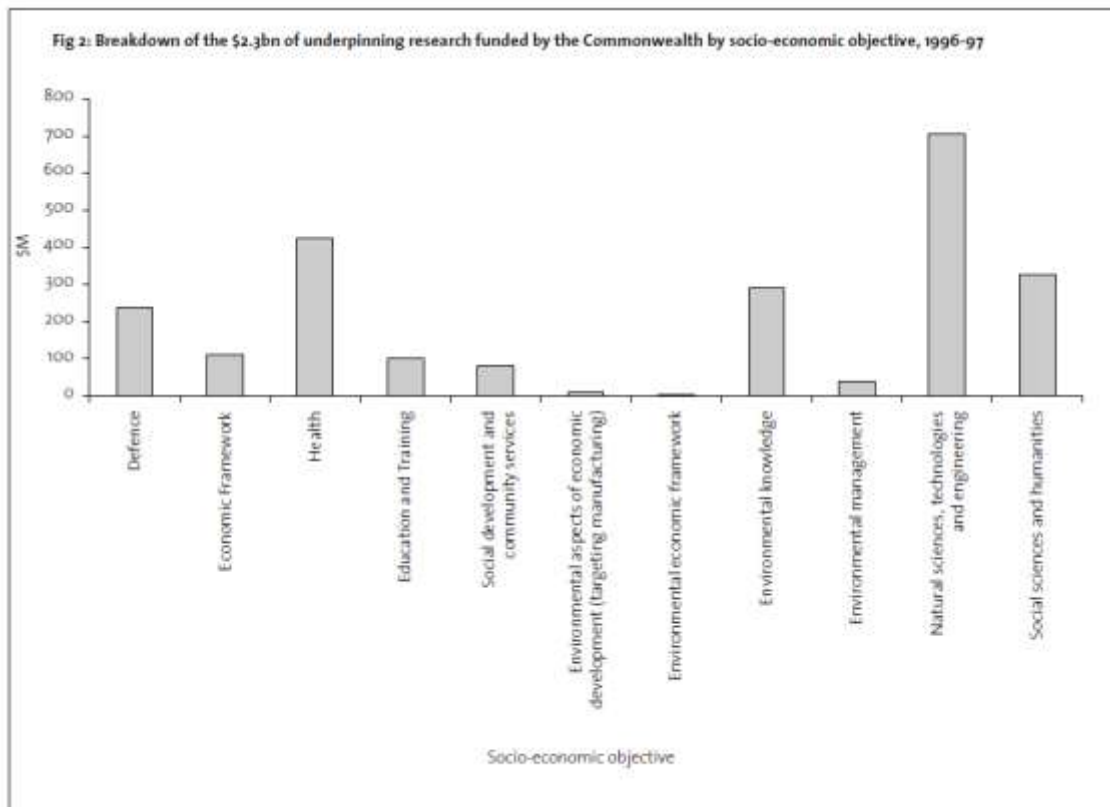
Source: Howard Partners estimates using data provided by the ABS.

Gearing up community sector research for the future

Contextual factors of importance for future community sector research

The sector is facing a multi-paradigmatic shift and some prefatory remarks are worthy at this juncture. The combination of personalisation and the introduction of a marketised model mean there will be

Findings 7

- Research funding for the community sector should reflect the importance of the community sector to the Victorian economy and to strengthening Victorian communities. This implies significant investment in research.

- More could be done to identify community sector research funding and arguments made around its greater visibility under government socio-economic objectives.

- The sector merits its own hypothecated funding and should be monitored in relation to a research investment that reflects its importance.

significant competition with other providers in the sector.

In A *Growing Industry*[280], VCOSS, reporting on charitable organisations, points to the fact that 52 per cent of charities are small (income less than $250, 000), 19 per cent medium-sized (between $250, 000 and $1million) and 24 per cent with annual revenue greater than $1 million. Given the large proportion of smaller organisations, many are unlikely to be able to shoulder the costs of change nor, indeed, to be research active without support. One issue then is how to provide the conditions in which the sector as a whole can benefit from research.

Associated with this, larger private sector corporations, and far fewer in the community sector, run their own research or data analytic departments. Much of that data is privileged and kept within the organisations themselves.

There are two ways to look at this. On the one hand, from an ethical point of view research is meant to do public good[281] and to do that means evidence should be placed in the public domain, from private organisations perhaps as part of a corporate social responsibility approach. This may mean regulating the ethical review and responsibilities that are associated with private sector research. Alternately, or, indeed in addition, if the community sector is to compete on a level playing field, it should access research funds on similar or, given the duty to publish for public good, greater level than the private sector.

Another move in Australia towards greater access to public sector data, publicly funded research data, data from entities established

Findings 8

- Much private sector data collection is not designed to serve public good but, rather, corporate interests.

- There should be level playing field in relation to research undertaken in the private and the community sector. This means research for the public good should attract funding from 'the public'.

- If there is increased research in the sector smaller community organisations will not be able to shoulder these costs individually.

- Given the sector mission and values bind diverse community sector organisations under one identity research may be better established in a sector research body which plays a role in consulting the sector on research priorities, which manages partnerships and collaborations, and which sets the ongoing research agenda.

for public interest purposes and national interest databases has been proposed by the Productivity Commission where a National Data Custodian can provide access on the basis of a risk and opportunity approach[282] - a curated gateway using a Trusted User Model which would also address concerns around privacy. The Productivity Commission gives the example

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[280]VCOSS (2017) *A Growing Industry: A snapshot of Victoria's community sector charities*. VCOSS, Melbourne. p.7

[281]see for example, Beauchamp, T.L. & Childress, J.F. (2013) *Principles of Biomedical Ethics*, Oxford University Press. Oxford, 7th Edn.

[282] Productivity Commission (2017) *Data Availability and Use*, No.82, 3rd March, 2017. Commonwealth of Australia, Canberra. p.21

of the Australian Institute of Health and Welfare working with the Department of Social Service on 'proof of concept' in relation to researchers accessing social services data remotely, but admits "there is currently no single clearly defined trusted User Model across the Commonwealth"[283].

However, for the sector this would require employing experts, probably operating through peak or representative bodies or making significant links with universities and others with these skills. Clearly there would be a need for the sector to build specialist capacity in this respect, though the Joint Council of Social Service Network[284] has argued that the process of accessing such data is very time-consuming and often requires specialised software. This raises some of the issues touched upon by Karanasios (this volume) in relation to the need for interoperability of systems. (Whilst there are many open data sites emerging, for many, such as the Victorian Government Data Directory, the capacity to search is hampered by poor navigation panes).

The changes that are taking place in the community sector mean that it is presently in a state of transition. This will warrant much cultural change. But it has already led to outcomes-based funding, and regulatory frameworks and governance which can be demanding, costly, inefficient and not aligned to the sector's values. At stake here may be some of the key values of the sector itself – in the final analysis maintaining non-aligned outcomes and regulatory frameworks will motivate community sector organisations to act more as corporate rather than community sector entities.

Findings 9

- New research opportunities around access to and use of national datasets will require specialist expertise. Similar expertise will be needed in relation to Big Data, and predictive analytics where these are found to be applicable. This will have significant funding implications.

- Once again on cost alone as well as co-ordinating sector-wide data there is good argument for one central co-ordinating research body operating on behalf of the sector.

Findings 10

- If there is increased research in the sector smaller organisations will not be able to shoulder these costs individually.

- Given the sector mission and values bind diverse community sector organisations under one identity, research may be better established in a sector research body which plays a role in consulting the sector on research priorities, which manages partnerships and collaborations, and which sets the ongoing research agenda.

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[283]ibid p.185

[284]Joint Councils of Social Service Network (2016) Data Availability and Use: submission to the Productivity Commission, July 2016.

Some of the contributions in this review help to mark out this territory. For example, Andrews considers the results on the sector of implementing a performance based 'proving outcomes' measurement approach (in contrast to an improving practice approach). Dickinson (regulatory frameworks, this volume) compares sanctions-based as opposed motivations-based governance structures and, in relation to governance and leadership, contrasts hard level governance and leadership with 'softer' influences built upon consultation with civil society actors.

While in each of these areas there has been little research, all the authors have constructed their arguments by using dichotomies at mutually exclusive extremes.

At the harder corporate end of outcome, regulation and governance and leadership lie hard, objective, fact-based approaches independent of voice of stakeholders. The resultant formalising that takes place, leads to: expense to the sector, fear of failure (when it is measured against hard outcomes); a real challenge to the sector's core mission; and a movement over time to corporate style processes and identity. Further, the repercussions will be differentially felt in organisations of different sizes, with smaller ones unable to absorb the cost of such arrangements, and they can also be a problem for those whose accountabilities lie across multiple regulatory bodies.

There are several possible responses to these dichotomies which are not just about choosing the right combination on the continuum between the mutually exclusive extremes, but also how support is provided to help the sector respond. From a research perspective, what would be essential would be that whatever decisions are taken at a time where little evidence exists, should be evaluated stringently so that there is an evidence-base built up. This evidence

Findings 11

- In relation to governance and outcomes there is little data and models of best practice are at mutually exclusive extremes.

- From a research perspective there needs to be thorough and detailed evaluation on any arrangements between regulatory authorities and the sector. These evaluations might be co-designed collaboratively and should ensure that issues around community sector mission and values are central to measured outcomes alongside others.

should efficiently serve both the diverse sector organisations and regulatory authorities, maintain the sector's values and produce efficiencies where multiple authorities are involved.

An additional contextual factor of importance relates to the workforce of the future which will need: massive expansion given the NDIS roll-out and the ageing demographic; retraining of the current workforce around emergent changes; expansion of training for workers choosing to work across sectors, and a massive expansion of the associated teaching and training delivery. This is taking place at a time when organisations in the community sector are themselves struggling to fund their own training given the marketised model under which they are newly operating.

It should also be noted that the changes in the disability[285] as opposed to aged care sector in relation to workforce and training, differ. There will be a very quick increase and then levelling off of workforce demand in the disability sector compared with longer term more sustained growth over time in the aged care sector. This means there should be differing responses from training providers as a result.

Furthermore, the nature of some changes, for example place-based initiatives will sometimes bring community services into collaboration with a number of other service sectors and organisations spanning health, education, family violence, community groups and others. Such changes work best when co-ordinated and therefore have major implications for the ways in which the sector navigates such programs or initiatives in the future.

Future research will therefore need to be exploring not just workforce size and composition, but whether the skills are indeed meeting the need of the industry as it transforms as well as the training being provided in that respect.

Findings 12

- There are huge workforce challenges facing the community sector and particularly in the ageing and disability spaces.

- There is a vital need for more workforce research that is longitudinal in design.

- Associated, training of the sector workforce is a real challenge in the immediate future. More research will be required to explore the response of RTOs and the VE sector and the extent to which any newly trained workforce is skills and values ready.

- There is an additional movement towards a sector whose workforce is trained across to operate across disability and ageing in particular.

- Moreover, inclusion for service users implies more use of generic services and, as such, training to allied health and other workers may also be an important area for consideration by researchers.

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[285]Bonyhady, B. (2017) *An innovative Approach to an Expanded Disability Workforce*. Presentation to TAFE CEOs. 16th November 2017.

Getting research clever - Vehicles for community sector research in the future

Summary from the 10 evidence reviews

1. Areas of practice leading to outcomes for those who use community services

Of the 10 evidence-reviews three explored *areas of practice leading to outcomes for those who use community services*. These were 'flexible person-centred funding models', 'person centred services' and 'place-based services and systems'.

♦ Only in one area was research sufficiently strong to identify common findings. Person centred funding as an approach has been found to produce better outcomes where it has been sufficiently funded, where information and support for decisions is available and where there are services and workers to convert funding into outcomes.

♦ The two other areas suffer from a weak evidence base because: there is limited research; the research findings may have been extrapolated from differing contexts, jurisdictions all of which challenge the transferability of findings; there is a much short term research but few longitudinal studies; and, studies often struggle with outcomes given the complexity in the lives of the people the community sector serves.

♦ All three areas found that there were winners and losers of policy and practice change, but that too little research followed up hard-to-reach groups or those who had not benefited from these changes.

♦ It is recommended that all new policy and practice initiatives are thoroughly evaluated. Longitudinal research will help in addressing both issues of sustainability but, also, identifying areas in which some groups do not achieve good outcomes. Outcomes themselves should be a focus for sector clarification in relation to future research. Given sector diversity, and to prevent reliance solely upon population based indicators, it is important to consider how complex life experiences can be used to co-produce relevant outcomes on the one hand, but also to co-design services over cycles of continuous improvement. Such localised knowledge should drive sector change and also larger statistically based studies in which outcomes need to be operationalised.

2. Sector processes

Four of the 10 evidence-reviews explored *sector processes*. These were strengthening outcomes, regulatory frameworks, governance and leadership and organisational and industry readiness.

♦ The volume of research evidence across these areas was found to be particularly low. Regulatory frameworks often dictate an outcomes framework and drive governance and leadership responses in the sector.

♦ Presently there is a danger that regulatory and outcomes frameworks drawn from new public management philosophies or from the corporate sector do not fare well in representing, nor engaging, the sector and its work.

♦ The pressure around new models of governance have the danger that in response the sector is forced into mission drift and that it loses the important distinguishing features that characterise its work and values. Often this means new leadership skills, hiring new leaders with these skills and this has longer terms impacts on the sector.

♦ More research and evaluation is required to evaluate the impact of different models of regulation, governance, leadership and outcomes. It is strongly suggested that any such studies establish through co-design the key areas of impact and outcome that should be addressed.

3. Future innovation

Two evidence reviews explored *future innovation*. These were 'information-sharing and technological innovation' and 'embedding evidence'.

♦ The review of information sharing and technology innovation showed huge potential for the community sector in terms of communication (systems, graphics and visualisations), inter-organisational collaboration, workload management, reducing office space and costs, information dissemination and management systems. However, apart from case studies very little systematic research has been undertaken - it would be hard to keep up with the speed of such changes but more research of their efficiency, impact and outcomes would be useful.

♦ The review of evidence suggests the need to further explore the viability and use of Big Data and Predictive analytics the outcomes of which have largely been extrapolated from health and medical research, and an immediate expansion of work combining administrative datasets. The review suggested that co-design and new approaches to rigour in qualitative methods were also important in driving sustained sector change. In many ways these qualitative approaches act as a barometer for 'good practice' and as such they should have major connection to larger studies of outcome and impact.

♦ Sharing of data requires interoperability and shared platforms which may add an additional cost to the sector. This may be obviated to some degree where a centralised research body can translate data for the sector and support sector relevant and sector-driven research.

4. Future workforce

The final evidence-review related to the future workforce and training to support the community sector.

♦   There has been a tradition of research around the community sector workforce, but present changes make it vital that this research not only continues, but expands. There will be a huge and ongoing growth in this workforce for decades to come given demographic changes. Individualised funding, personal service choice and a marketised sector make workforce planning for the sector very troublesome and this requires a new evidence base.

♦   The workforce, made up of more women than men, has over time become less well paid, with relatively poor working conditions and there is increasing turnover of staff.

♦   The demands of increasingly complex service systems and new regulatory frameworks means a need for better trained highly skilled leaders, whilst highly skilled supervisors will be needed to identify and implement best practice in services and supports.

♦   More systematic data collection may be supported by registration requirements for workers or by exploring the possibilities of working from combined datasets.

♦   Upskilling for example in business, customer service and technology will be needed for staff already working in the sector; lack of funds for industry-based training as organisations struggle in the new marketised system will have an impact on the quality of services delivered; and training for the many new staff required for the sector need to change. The whole area of training requires a significant investment in terms of research alongside continuing and longitudinal research on the sector's workforce.

Creating the right conditions for community sector research in the future

The community sector is facing multi-paradigmatic shifts and challenges. The demand-driven, client centred focus, marketisation, new regulatory environments, market pressures, new systems of accountability, transformations in management practice and leadership are all converging in a miasma from which clarity needs to emerge. Moreover in prospect, but not covered in this volume, many jurisdictions are melding health and social care, whilst disciplinary silos within the research environment are leading to fundamental changes to inter- and transdisciplinary research practice. Many of these changes make historical evidence less apposite and many of the technological innovations will accelerate rather than slow. The 10 evidence reviews in this volume clearly characterise the community sector as, by-and-large, 'research poor'.

Earlier the limitations apparent in the evidence reviews were detailed – there was an emphasis upon the need for longitudinal research in areas relating to new policies and practices designed to produce better outcomes for service users; increased evaluation of new initiatives to explore best practice; testing for the adoption and efficacy of new research approaches; more local co-design studies meant to build research and practice together and respond to service user experiences; ensuring that those who do not benefit from new policy and practice became a focus for additional research; and creating conditions for the more systematic translation of all research-relevant findings for sector use and consumption.

The wider changes have had cost implications for the sector. There is a need for cultural change, new leadership and governance, new skills for the workforce and response to new regulatory systems amongst others. This increases the precarity of the sector but it may also have weakened their chances of partnering in, and/or funding research, as a result. Without research in these areas it is hard to argue a case for change, to strategise in the longer term or to implement best practice.

There is a need for cultural change, new leadership and governance, new skills for the workforce and response to new regulatory systems…

Karanasios (this volume) argues that the value captured from data in the public sector is as low as 10-20 per cent because of the lack of analytical talent. Similarly we might posit that the extent to which an evidence-base drives the sector is distinctly ordinary. There is room for a significant expansion. Without such evidence it has been argued that nothing but pre-existing values and power, are left to mediate and inform change. Without evidence it is hard to create value, to strategise around the efficient delivery of outcomes and to deliver best practice in a sustainable manner. But there is also a key issue about in what such 'best value' consists. The importance of seeing the social return on investment in strengthened Victorian communities is one vital element from the community sector's viewpoint – so not all value is immediately to be cast in terms of an economic return on investment.

It has been found in the evidence reviews that the panoply of changes the sector faces have the potential to undermine its core mission, vision, values and identity. It is suggested that sector research needs to become more adept at examining any evidence against these sector values. However, much more work is required in clarifying what outcomes it seeks to accomplish. There is significant potential, given sector diversity, to establish these outcomes through co-design processes in which experts by experience reflect on the outcomes of services in a cyclical way so as to inform and drive sector change. Accountability to its users through such mechanisms should be a part of the discussion presently taking place around regulation and identifying sector relevant outcomes against which the sector can be judged.

This evidence review points to the need for dedicated research support to the sector.

We are moving into an area of continuous and cyclical improvement. Change will not stop; new technology will not cease; workforce and training demands will continue to adapt; new research capabilities will emerge – in short there will be on ongoing need for evidence and, thereby, for

research. But if sector organisations cannot individually achieve these aims a question arises about how the conditions for research can be established to give maximum impact.

This evidence review points to the need for dedicated research support to the sector. As identified earlier (*see* Ramcharan, this volume) there have been several initiatives which have been set up along these lines which are independent of the sector but designed to support organisations in the sector. It is important, particularly at a time when the sector's capacity to be involved in research is being tested, to deliver additional support for research.

Such a body would consult with the sector regularly to establish an industry-relevant research agenda; it would have responsibilities to support the sector to explore opportunities for research funding; it might seek to hold data for secondary analysis; it would have a role in translating research for adoption in practice; it may also have its own research and evaluation role too. Such a unit would work with government and in relation to sector generated priorities for research funding.

It would bring together funds where the interests of organisations in the sector coincided; and it would act as a support at the level of co-design and production for the wider dissemination of what works best to support vulnerable Victorians to live better lives.