

Overview of *Service Sector Reform;* *A roadmap for community and* *human services reform* Report

Context

In late 2012 the Victorian Government asked Professor Peter Shergold AC to look at strategies to improve the way that government and community services work together to address the needs of vulnerable community members. The project was particularly concerned to ensure that community services are delivered in effective and sustainable ways in the face of increasing demand and a tight economic environment.

In early 2013, Professor Shergold released a discussion paper that identified a number of possible reform directions, and led a series of stakeholder consultations. CHP made a submission to the process and participated in these consultations. The Minister for Community Services, the Hon. Mary Wooldridge MP, released Professor Shergold's final report -*Service Sector Reform; A roadmap for community and human services reform* - on 1 November.

Key findings and recommendations

Community sector reforms currently underway

The report recognises that a number of significant reforms are currently underway across the community sector, including the implementation of Victorian Homelessness Action Plan and the Department of Human Services' new practice model, Services Connect. Professor Shergold has found that even though there are common themes across these reforms, it is not yet clear how they relate to each other. He notes that an overarching policy framework would help to ensure that these reforms result in more integrated and client-centred service delivery.

Collaboration across government and the community sector

The report finds that there is considerable scope to increase collaboration between government departments and community service organisations. Professor Shergold recommends that community service organisations play a greater role in policy and program design and that collaborative efforts be driven by a joint government and community sector partnership advisory committee, and underpinned by a set of partnership principles. The report also recommends that the government transfer an increasing array of service delivery functions to the non-government sector, and promotes mechanisms for increased data-sharing across the government and community sector.

Outcomes focused practice

Professor Shergold found support for commissioning, delivering and measuring consumer outcomes across the community sector. However, community services raised a number of issues relating to the definition of outcomes measures and the challenges of linking service funding to outcome achievement. The report recommends the development of a community sector outcomes framework to guide the way that government departments evaluate and, increasingly, fund community services.

Funding and procurement

The report strongly supports standardised contracting arrangements and the consolidation of funding streams as a way to support more flexible and holistic service delivery. According to Professor Shergold, the Victorian Government should support the use of social and private finance to supplement, rather than replace, government-funding for community services.

Community sector capacity and productivity

The report acknowledges that there is a distinctive ethos and skill set associated with the management of community services, which includes managing scarce resources and a diverse workforce. Nonetheless, the report argues that increasing community sector productivity will be critical to meet the anticipated growth in service demand. Professor Shergold suggests that building the community workforce's skills is a key way to improve productivity and promote more holistic and integrated practice. Professor Shergold also recommends a number of initiatives to assist community services to build governance and organisational capacity, and to adopt best practice approaches.

Targetting services to those most at risk

Professor Shergold's report suggests that government and community sector efforts should be focused towards the most 'troubled' families, who typically have complex needs. It recommends that holistic assessments and integrated practice approaches be used to respond to these families. Professor Shergold also acknowledges the long-term social and economic value of prevention and early intervention, but does not make a specific recommendation to expand practice in this regard.

Self-directed care

Professor Shergold found significant support for expanding the choice and control that consumers have in their engagement with the community sector. While recognising that individualised funding may not be appropriate in some settings (such as crisis services) and that some groups may not be able to make informed decisions about their own care (such as children), Professor Shergold recommends that individualised funding models be progressively implemented across a wider range of services than is currently the case.

Local-area planning and service delivery

Acknowledging that disadvantage is unevenly spread across Victoria, the report recommends the establishment of new local governance approaches and place-based service planning and provision.

Next steps

The Victorian Government has announced that it will establish a cross-government Community Sector Reform council to progress Professor Shergold's recommendations. Further information on the council, and the Service Sector Reform project, is available [here](#).