

## Draft for Consultation

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The following Headline Policy document has been developed to facilitate consultation with the ACT Community Sector in relation to potential final recommendations to the ACT Government in relation to future policy options to improve the efficiency, effectiveness, consistency and sustainability of service delivery in the ACT community sector.

These Headline Policy Statements will form the basis for discussion at the two consultative forums with ACT Community Sector Chief Executive Officers in late April and early May 2010. The feedback and ideas received through these forums will inform the finalisation of the recommendations to Government from this Review.

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## Headline Policy Statement

The six policy improvement options detailed in this document may, over time, transition into the proposed Outcomes Based Service Funding Agreement – Purchasing Framework. The Framework will be initially implemented for the Department of Disability, Housing and Community Services. The Framework includes the development of a “population approach” and will measure the achievement of specific population results over a ten year period, in relation to improving social and economic outcomes for vulnerable Canberra’s. It is expected that the Purchasing Framework will deliver the following business benefits:

- a) a pre-qualification framework;
- b) a maximum ten year contract consisting of a fixed term with option periods and agreed performance monitoring milestones.
- c) standard terms and conditions;
- d) an outcomes based quality assurance framework;
- e) a common reporting framework; and
- f) incentives linked to performance to deliver outcomes.

As part of the Review of Industrial Arrangements of the ACT Community Sector, key deliverable 4 of the first phase of the Review will:

- a) identify potential efficiencies and opportunities to improve the effectiveness, consistency and sustainability of service delivery in the ACT community sector, given the current economic environment;
- b) develop policy options to improve the efficiency, effectiveness, consistency and sustainability of service delivery in the ACT community sector; and
- c) identify strategic measures necessary to attract, retain and build a sustainable ACT community sector workforce.

With the national Modern Award and Pay Equity Case being progressed the primary focus on the development of policy options is on broader sustainability issues for the ACT community Sector.

### **1. Improvement Option – Strategic Planning**

To develop a robust planning cycle to support strategic funding decisions. Establish a link between policy directions, planning information and specific funding decisions to deliver the optimal mix of services to meet identified community needs within the available resources.

Example: In Homelessness Services Sub-sector Plan needs to align with National Partnerships to facilitate a continuum of services to clients.

### **2. Improvement Option – Roles and Responsibilities**

To articulate the ACT Government’s and community sector roles and responsibilities as part of the funding model.

Example: Develop a bridging document to the Social Compact (overarching policy framework for the Government and community sector), which would be a concise, simpler version of the compact itself that provides a clear linkage between high level strategy and operational planning and is more user friendly for those actually delivering the services.

### **3. Improvement Option – Shared Services**

To explore shared services opportunities for community service organisations to reduce costs and in turn improve sector sustainability and consistency of service delivery outputs.

Example: Identified areas for shared services could include; Purchasing; Business Models for Efficient Service Delivery; Financial Management; and Human Resources.

### **4. Improvement Option – Costing of Services**

To ensure that the funding for services are properly and consistently structured to maximise service delivery and reduce administrative costs.

Example: Determine a clear model to cost administration and service delivery components of future contracted services. Also identify a minimum sustainability threshold for funding services, such as staff to client ratios and duty of care.

### **5. Improvement Option – Workforce Development**

Identify, map and prioritise existing sector capacity building training and leadership measures and provide opportunities for community organisations to build the capacity of their staff, volunteers, management committees and boards. The intention of this option is to assist in attracting more skilled staff and to support existing staff in the sector.

Example: It is the intention that capacity building training will assist the community sector to develop strong and consistent policy and practices in the areas including but not limited to: governance; staff management; industrial relations; financial management; occupational health and safety; duty of care; and quality improvement/assurance.

## Key Deliverable 5 – Industrial Relations Advice

The requirements of this deliverable are:

1. Identify mechanisms to enhance the ACT community sector's awareness and understanding of industrial rights, responsibilities and resources.

Based on the survey data, the jurisdictional analysis and consideration of the current industrial relations arrangements, the following three components are proposed to enhance the ACT community sector's awareness and understanding of industrial rights, responsibilities and resources.

- Establish a single source of advice for *shared community sector IR advice*. At present, organisations are required to individually source information on issues of general application across the sector. This is both inefficient and ineffective from a resource management and expenditure perspective, and has a strong potential to result in inconsistent advice and resultant action on sector wide matters.
  - This may be best achieved by undertaking a process to identify potential provider organisations within the ACT community sector (most likely to be one of the larger service providers, who already source a number of information services) and providing them with some additional funding to deliver these services. This function could be rotated among organisations over time to increase the breadth and depth of IR expertise in the sector.
- Establish a regular IR update service available to all ACT community sector organisations to provide regular networking forums and contemporary information sources for community sector organisations.
  - This regular IR advice and networking service could be tied to the provision of shared IR advice proposed in the first point (above).
- Establish a single market tested source of *organisational specific IR advice* to enable organisations to source quality advice at rates that are established as being market competitive. Single market tested source of organizational specific IR advice' refers to undertaking a single process on behalf of the community sector (or those that will agree to participate) to select a panel of IR advisory providers that can provide organizational specific advice at agreed rates to organizations on an 'as required'.
  - This could be achieved through a tender process coordinated across the sector and incorporating in the tender specifications the type of advice and services required by the sector. The selection process could be managed by a cross section of community sector representatives and should realise more efficient and effective IR advisory outcomes in terms of both consistency and quality of advice as well as improved value for money.