

Transforming Australia's Social Services System

Agenda and pre-reading pack

Wednesday 23 October 2024



Acknowledgement of Country

We acknowledge and pay respect to Elders, both past and present, and all generations of Aboriginal and Torres Strait Islander peoples as Traditional Custodians of the land.

For thousands of years, prior to and during colonial settlement, the diversity of indigenous cultures, languages, identities and Countries across the continent and islands demanded locally created solutions that responded to local context. As it was then, so it is now.

Much of the thinking and practice on people- and place-centred approaches comes from thousands of years of Aboriginal and Torres Strait Islander wisdom and leadership.

In First Nations worldviews, individual and communal identity is tied to land and Country. Also core to this worldview is the belief that we are all interconnected and that these relationships should be at the centre of everything we do.

As with many aspects of Australian life, the acknowledgement of First Nations leadership provides a meaningful starting point in putting people and place at the centre of government.

The principle of self-determination and a “nothing about us, without us” mentality has fostered expectations of locally engaged leadership. We acknowledge that leadership and seek to learn from it in order to grow a system that supports people and communities to thrive.

Participants

Annabel Brown	Deputy CEO, Centre for Policy Development
Andrew Hudson	CEO, Centre for Policy Development
Anna Powell	CEO, Collaboration for Impact
Belinda Drew	Deputy Director General of Women’s Safety, and Victims and Community Support, QLD Department of Justice and Attorney General
Bronwen Clark	Chief Executive, National Growth Areas Alliance
Cliff Eberly	Policy Director, Centre for Policy Development
Dianne Jackson	CEO, Key Assets Australia
Griffin Longley	Head of Child and Family Supports, Minderoo Foundation
Jo Kelly	Partnership Lead, Learning the Macleay
June McLoughlin	Principal Advisor, Our Place
Kerry Jones	Director Systems Initiatives, The Australian Centre for Social Innovation
Letitia Hope	Deputy Secretary, Commonwealth Department of Social Services, Families and Communities
Liz Yeo	Chief of Alliances, Paul Ramsay Foundation
Liz Hefren-Webb	Deputy Secretary, Prime Minister and Cabinet, Social Policy Group

Luke Craven	National Centre for Place-Based Collaboration
Marg Thomas	First Assistant Secretary, Commonwealth Treasury, Social Policy Division
Matt Gardiner	CEO, 54 Reasons
Matthew Cox	Executive Director, The Bryan Foundation
Paul Briggs	Executive Director, Kaiela Institute
Peter Whiteford	Professor, Crawford School of Public Policy, Australia National University
Rowena Cann	Lead - Places and Learning, Thriving Queensland Kids Partnership
Esther Koh	Project Officer, Centre for Policy Development
Jonathon Thorpe	Deputy CEO, Service Delivery Excellence Group, Services Australia
Sean Gordon	Managing Director, Gidgee Group
Simon Gordon	Group Manager, NIAA
Tania Rishniw	Deputy Secretary, Commonwealth Department of Employment, Employment and Workforce
Teya Dusseldorp	Executive Director, Dusseldorp Foundation
Thea Snow	Regional Director, Centre for Public Impact
Tim Kane	Senior Economist, Committee for Economic Development Australia
Travers McLeod	Executive Director, The Brotherhood of St Laurence

This roundtable will be held under the Chatham House Rule. This means that participants are free to use the information received during the meeting, but neither the identity nor the affiliation of the speaker(s) may be revealed. CPD intends to produce a publicly available summary of the roundtable that will include a participant list. No piece of information will be attributed to any specific participant. **If you wish to opt out of being included in the public participation list, please let us know.**

Agenda

Date and time: Wednesday 23 October 2024, **12.45pm arrival for lunch**, 1pm - 4pm

Location: Department of Social Services, 71 Athllon Dr, Greenway, ACT 2900

If you are running late or having trouble entering the building on the day, please call or text Cliff Eberly on 0419 291 103

Time (AEDT)	Agenda Item
12:45pm	<i>Arrival and lunch</i>
1:00pm	Opening, Acknowledgment of Country and Introductions
1:15pm - 2.45pm	<p>A lack of access to affordable housing, unemployment, intergenerational disadvantage and poor mental or physical health are some of the factors that contribute to vulnerability for people and communities. The social services system aims to address these issues and more. However, too many people are being left behind. To meet existing challenges and respond to future uncertainties the system will need to change.</p> <p>Based on academic research, government reports from the last decade and insights from community-based initiatives, CPD has identified 6 drivers of a transformed system. These drivers represent a step change in the way the social services system is currently operating and, if embraced and embedded, would enable the system to support individual wellbeing and stronger, more resilient communities.</p> <p>This session will:</p> <ul style="list-style-type: none">● Discuss the purpose of the social services system in addressing factors that worsen vulnerability.● Examine the research on people- and place-centred ways of working and the proposed drivers of a transformed system.● Explore the opportunities for building on the current reform context and promoting greater collaboration and alignment of effort.
2:45pm - 3pm	<i>Afternoon tea</i>
3pm - 3:55pm	Taking the Next Step Making the most of reform opportunities means overcoming assumptions and established ways of working while also embedding new practices within the tools and mechanisms that unlock government resources. This session will propose some avenues to further embed the drivers of a transformed system.
3:55pm - 4:00pm	Wrap up and close CPD will provide a discussion summary of this roundtable and organise follow-up conversations as needed. We are releasing a publication on this topic in November and we will aim to bring this group back together again in the new year to keep up momentum on the reform journey.

System Purpose

Session 1

The social services system supports millions of people across the life course and costs billions of government dollars. As demand on the system is set to grow, too many people are already being left behind.

The current interest and investment in place and tackling disadvantage provides the opportunity to shift the social services from a system based on competition to one grounded in genuine partnership.

The Evolution of the Social Services System

Two events of international significance, The Great Depression and the end of World War II, framed the design of Australia's social services system at the Commonwealth level. Government needed to design a system of social security (welfare payments) that could be deployed universally to respond to economic setbacks and shocks.

Influenced by the work of William Beveridge and the design of the social services system in the UK, policymakers opted for a transactional system. The system wasn't asked to manage much complexity or respond to diversity. It ignored women, as they didn't account for much of the working population. It neglected cultural background, in part because of the white Australia policy, which was gradually abolished, starting from the end of the dictation test in 1958 to the implementation of the *Racial Discrimination Act 1975*. And it did not account for psychological factors due to attitudes and perceptions of mental health and disability. The development of the system wasn't guided by social justice or grounded in human rights.

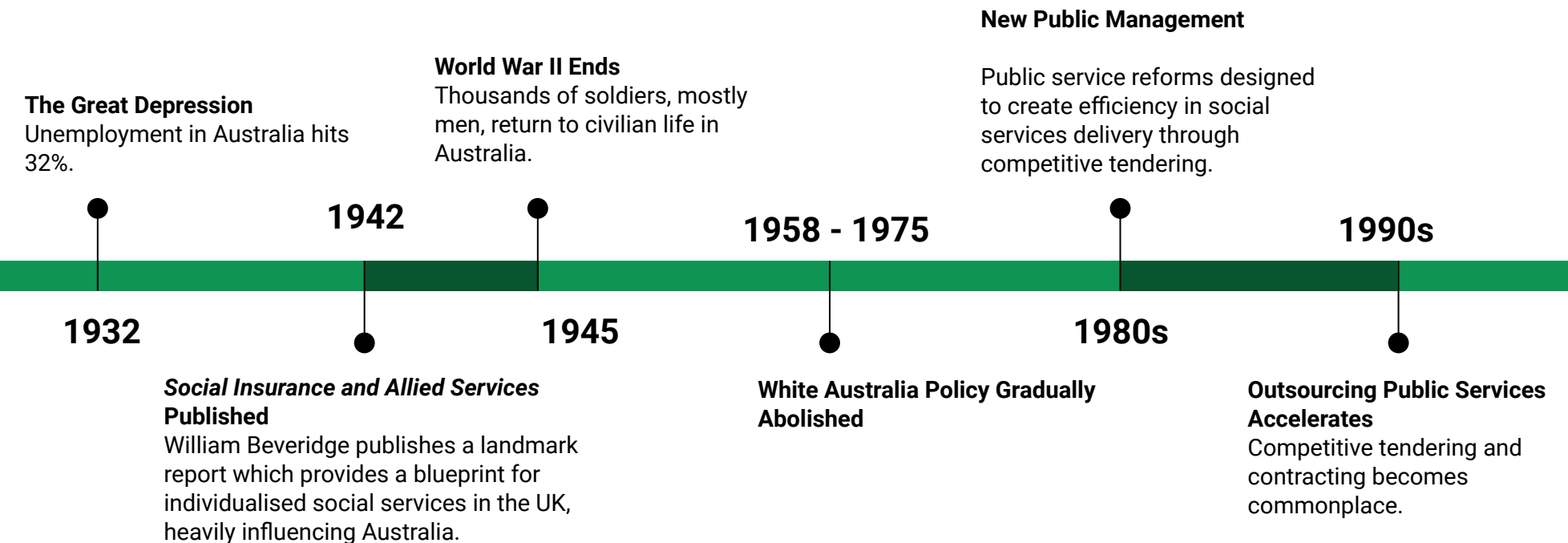
In the 80s and 90s, much of the system was marketised. Government contracted out service delivery with the view that competition and profit seeking would drive efficiency and effectiveness. Guided by New Public Management reforms, the public service shifted from direct service delivery to managing contracts. The belief was that the drive for private profits would result in savings to government and create choice and better outcomes for people.

Today

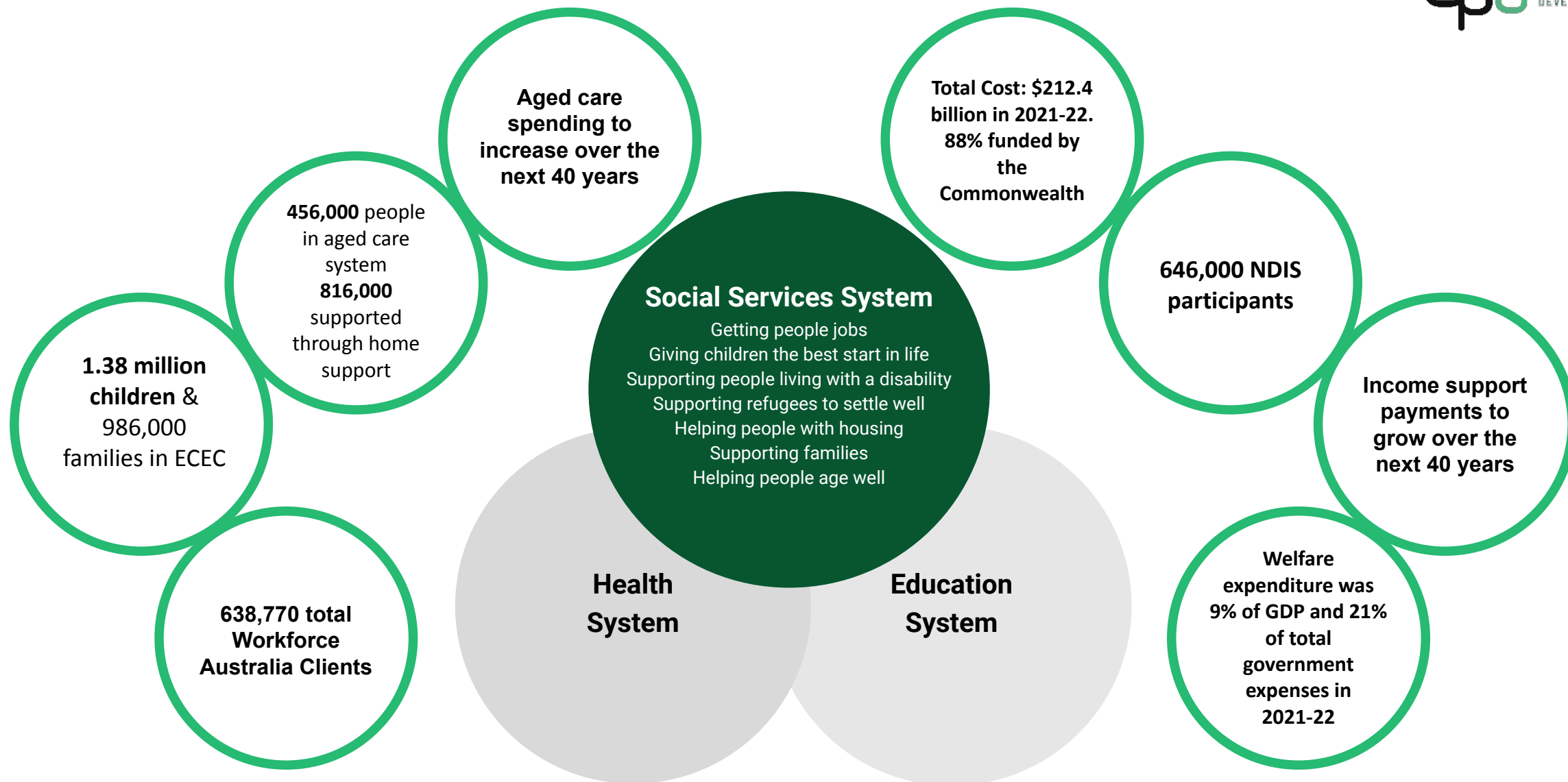
The social services system we have today emerges from this legacy.

It is an interconnected suite of supports that help individuals and communities to meet their human needs.

This involves a range of services and payments provided by government and community service organisations. Examples include employment, settlement and disability services delivered through the commonwealth or housing and family support services delivered by the states and territories.



The Social Services System We Have Today



Sources:

Australian Government, Department of Education, Skills and Employment, 2020 ([here](#)).

Productivity Commission, Report on Government Services 2020, Chapter 3: Early Childhood Education and Care.

Australian Institute of Health and Welfare, Welfare Expenditure, 2023, ([here](#)); Australian Institute of Health and Welfare, People using Aged Care, 2024 ([here](#)).

Commonwealth Treasury, Intergenerational Report, 2023, ([here](#)).

NDIS participants on 16 February 2024 ([here](#)).

*Workforce Australia caseload as at 31 August 2024 according to DEWR ([here](#)).

There is a Clear Case for Change as System Effectiveness is Being Tested

System effectiveness is being stretched by a range of factors:

- **Increased uncertainty and complexity** - Navigating technological advancement, the impacts of climate change, energy and industry transitions, and the rising cost of living are just some of the challenges where no single actor holds the solution and flexible and adaptive approaches are needed.
- **Growing cost and capacity pressures** - Government budget forecasts are strained as demand for care and support grows, with the 2024 Intergenerational Report projecting aged care spending to increase per person and as a share of GDP over the next 40 years as the population ages. The care and support workforce is also under strain, with capability and capacity pressures identified across early childhood education, aged care, employment services and child protection.
- **Diminished trust and rising scepticism** - The Australian Leadership Index notes rising polarisation among the Australian public and low trust in government, with federal, state and territory governments among the least trusted public institutions. One of the biggest public grievances is that governments are not perceived to be dealing with issues that actually matter. Public trust has especially deteriorated among those experiencing disadvantage. Organisations we spoke to for this research found that the communities they work with are frustrated, disenfranchised and traumatised by repeatedly not being heard, damaging trust in relationships.

Evidence shows that effective social services play a role in strengthening social cohesion. Responsive policy and service design processes can help address these challenges and provide broader social and economic benefits.

Sources:

The Treasury (2023). *Intergenerational Report 2023: Australia's Future to 2063*. Commonwealth of Australia: Canberra.
National Skills Commission (2021). *Care Workforce Labour Market Study: Final Report*. Commonwealth of Australia: Canberra.
Wilson S, Kowalski, E and Demars V (2024). *The Civic Health of Australia: A National Portrait in 30 Charts*. Australian Leadership Index: Hawthorne, Victoria.
Stoker, G, Evans, M and Halupka, M. *Trust and Democracy in Australia: Democratic decline and renewal*. Museum of Australian Democracy: Canberra.
Department of Home Affairs (2024). *Strengthening Australian Democracy: A practical agenda for democratic resilience*. Commonwealth of Australia: Canberra.
Flemington Works. Personal Communication. 31 May 2024; Hunter Jobs Alliance. Personal Communication. 12 June 2024.
Desjardins, S, Halseth, G, Leblanc, P and Ryser, L (2002). *Services, Social Cohesion, and Social Capital: A Literature Review*. New Rural Economy Project.

Too Many People Are Being Left Behind on Important Wellbeing Measures



After a prolonged period of economic growth, large pockets of disadvantage still exist across urban, regional and remote Australia.



Thirteen percent of Australia's population is living below the poverty line. One in six children in Australia live in poverty.



Twenty two percent (1 in 5) children start school developmentally vulnerable, facing long-term impacts on their health, education and future prospects.



Since 2006, we've made no improvement in the overall rate of homelessness, with the rate of homelessness for women increasing.



There are around 3 million Australians who want to work or work more hours. Of these people, 1.3 million want to work but are unable to look for employment due to issues with finances, transport, housing, childcare or other challenges.

Sources:

Tanton, R., Dare, L., Miranti, R., Vidyattama, Y., Yule, A. and McCabe, M. (2021), *Dropping Off the Edge 2021: Persistent and multilayered disadvantage in Australia*, Jesuit Social Services: Melbourne.

Jarrod Ball (2018). 'CEDA Overview' in *How unequal? Insights on inequality*, 9-28. Melbourne: Committee for Economic Development of Australia.

AEDC (2022) AEDC 2021 National Report <https://www.aedc.gov.au/resources/detail/2021-aedc-national-report>.

Treasury, Australia Government (2023). Homelessness. Accessed 15 July 2024.

The Treasury (2023). *Working Future: The Australian Government's White Paper on Jobs and Opportunities*. Canberra: Commonwealth of Australia.

There is a Significant Opportunity to Build a New System Centred on People and Place

A number of efforts are underway to:

- better coordinate investment
- support place-based collaboration
- develop approaches to address disadvantage
- redesign big service systems (e.g. ECEC, employment, NDIS)
- grow collaborative relationships across service delivery organisations and
- reform the public service.

The 2024-25 Budget outlines the government's commitment to broadening opportunity and advancing equality, particularly for women, First Nations peoples, regional communities and those experiencing disadvantage.

These budget commitments sit within a broader Wellbeing Framework that commits the Commonwealth to making progress towards a more healthy, secure, sustainable, cohesive and prosperous Australia.

The current environment of investment and interest in reorienting the system to people and place provides an opportunity to transform the social services system.

Investment Dialogue on Australia's children – the Investment Dialogue is a 10-year partnership between the Australian Government and a group of 20 philanthropic foundations.

It is a new strategy to partner with philanthropy and will enable government to coordinate efforts and direct funding where it's needed most.

The purpose of the partnership is to work together with communities to provide better planning and investments to improve the wellbeing of children, young people, and their families to make long-term, positive intergenerational change.

National Centre for Place-Based Collaboration – an emerging centre for place-based collaboration “is envisaged to be an independent, non-government entity to facilitate more inclusive and effective place-based partnerships between communities, governments, the non-government sector, business, and investors.”

In 2023, a Foundation Partner was appointed to lead consultation for the design of the centre, develop a prospectus, and develop blueprints for place-based approaches to employment and data needs and capability.

Drivers of a Transformed System

Session 1

A litany of government reviews and inquiries reveal a system under strain, mired in compliance and competition, and struggling to deliver desired outcomes.

A pattern of review, recommend and adjust has taken hold - but the long lists of recommendations often only result in tweaks and adjustments.

To transform the system we need to go deeper - embedding a new set of system drivers to shift mindsets, centre relationships and share power.

Drawing on The Wisdom of First Nations Leadership

Holistic, people and place-centred approaches are core to First Nations cultures and what Indigenous peoples have advocated for since the beginning of colonisation.

The Aboriginal experience of history has been very different in different parts of Australia. Approaches to remedying inequality need to take account of these differences. One lesson of history is that Aboriginal society is very local.

- The Royal Commission into Aboriginal Deaths in Custody

The *Empowered Communities: Empowered People, Design Report* (2015) is a landmark publication in Indigenous decision-making. They assert that:

The welfare state in Australia induces the most crippling sclerosis in Indigenous society because its programs so often displace responsibility from those who should be vested with relevant responsibilities—individuals, families and communities.

Empowered Communities proposes a 10-year national policy agreement that embodies the principles of empowerment, development and productivity and places decision-making power as close as possible to the people those decisions serve. Their design report calls for partnership between Indigenous leaders and governments, with the government acting as an enabler rather than the “primary fixer”. They recommend a formal interface between regional First Nations representatives and government to discuss key concerns in the regions, come to agreements on addressing them, and share data and learnings. They called this kind of collaboration working from the *inside out*. Obtaining Commonwealth funding in 2016, the 10 empowered communities have since started putting these ideas into practice across the continent.

The need to mend broken relationships and work together in genuine partnership is the heart of the issue.

Some of Australia’s best examples of integrated, multi-disciplinary, child and family-focused service models are delivered by First Nations community-controlled organisations.

Close to the ground, and with deep connections into their communities, these organisations have steadily built-up integrated service pathways that respond to the multiple, interconnected needs of local children and families. Many draw together a full service offering across:

- Maternity and antenatal care
- Child and maternal health
- Early learning, including playgroup, long day care and preschool
- Parenting and family support
- Healing and trauma recovery
- Restorative justice
- Cultural and community connection

In some cases, these integrated local level models are built around a program foundation such as the *Multifunctional Aboriginal Children’s Services* or the more recent *Connected Beginnings* program. Another example is the model used by Aboriginal Medical Services, where funds generated from core clinical services are directed towards building the service offering.

Sources:

Commonwealth. Royal Commission into Aboriginal Deaths in Custody. *Final Report* (1991).

Empowered Communities. (2015). *Empowered Communities: Empowered Peoples, Design Report*. <https://empoweredcommunities.org.au/wp-content/uploads/2018/04/EC-Report.pdf>.

We know from the proliferation of people- and place-centred initiatives around the country that the transformation of the social services system is already underway. Our research is rooted in the belief that these initiatives hold valuable insights into what a people- and place-centred system could look like at scale.

The Problem

Despite a long-running desire to orient the social services system to people and place and a high volume of government reports and inquiries that call for this, **the system is stuck** in a predictable pattern of review, recommend and adjust. This pattern spans early childhood, employment services, aged care, settlement, and more.

Recommendations within these reports focus on tweaks and adjustments to frameworks, service design and funding mechanisms and rarely engage with changes to mindsets, relationships and power dynamics - the things that we know will make a difference.

People- and place-centred initiatives continually work around systemic limitations and do the best they can with limited resources. When community issues arise or a crisis occurs, another round of bolt-on responses are announced, often landing in communities without prior notice and adding to the plethora of supports and services already provided.

Big systems carry on in the cycle of review, recommend and adjust, and while they may shift ever so slightly, communities hardly notice. The opportunity for an enduring joined-up approach is rarely, if ever, realised.

The Opportunity

Creating a future where people and communities thrive means seeing communities as part of the solution and acknowledging the role that social capital plays in helping people to thrive.

To realise this opportunity will require going beyond technical and structural solutions and working to shift mindsets, centre relationships and share power. People- and place-centred initiatives are showing us what this looks like in practice as they focus on trust and collaboration, remain adaptive and flexible in their approach and focus on sharing learning and power.

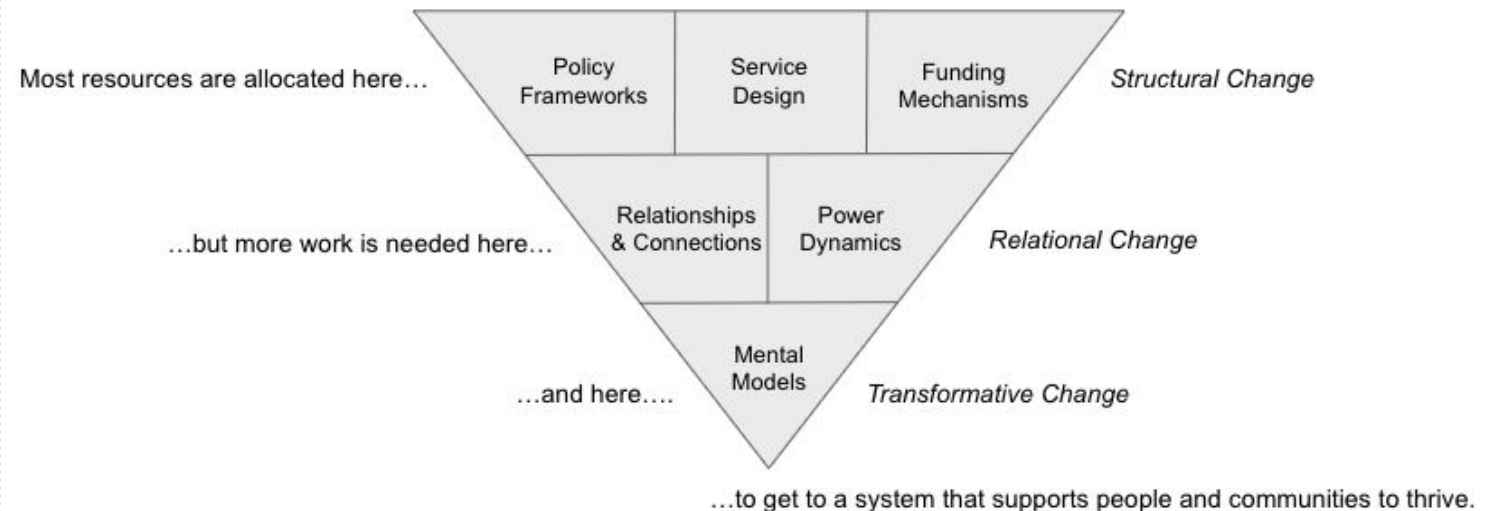
Shifting the System at Each Level

Agreement on *what* needs to change is commonplace, but consensus on *how* to make that change is less common. Systems change “focuses on shifting the whole rather than tinkering with minor parts,” and involves three dimensions: *structural*, *relational* and *transformative*.

What is clear is that tweaks and adjustments that focus solely on structural changes don't go far enough. We need to do more than updating policy frameworks, service design, funding mechanisms and other structural elements (though these are important). Change processes need to include shifting relationships, power and mindsets.

What is Needed at Each Level

- **Structural change:** Ensuring that policy and service design processes are clear on their intended purpose (getting people jobs, building strong communities, giving children the best start in life, etc.). We must then ensure that carefully considered and aligned policy objectives, tendering processes, governance structures and operational infrastructure flow from this clarity. Fit-for-purpose tools and mechanisms are key.
- **Relational change:** Challenging established power dynamics through collaborative governance models and shared decision-making processes between government and community that seek to deepen trust and create momentum around shared purpose. This is the bedrock of genuine and effective partnership.
- **Transformative change:** Shared learning between government strategies, frameworks, and toolkits and community practice at local and regional levels. This ensures an ongoing interaction between policy and practice for the purpose of system improvement. Set and forget is not an option.

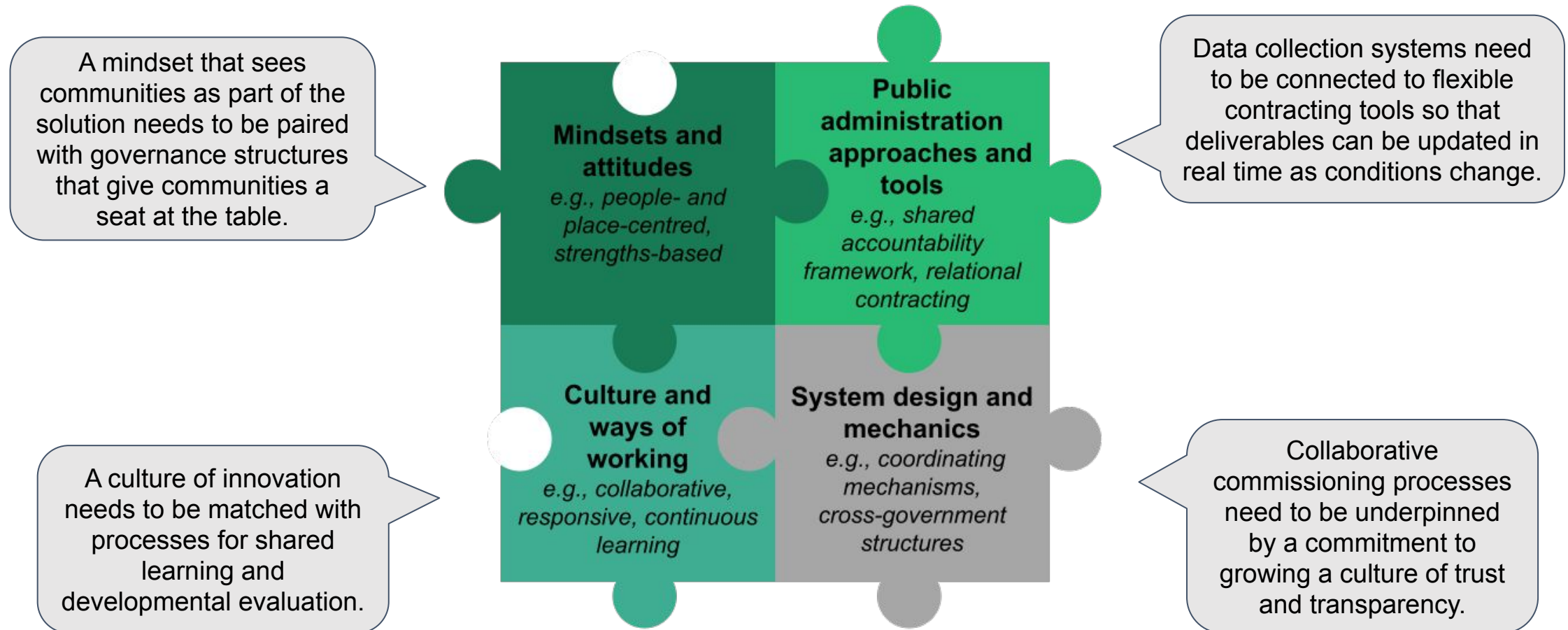


Sources:

<https://www.tsi.nz/tsi-updates-feed/the-unique-approach-using-systems-change>
https://www.fsg.org/resource/water_of_systems_change/

Shifting the System in Interconnected Ways

While structural elements like policy frameworks, service design and funding mechanisms are important, it is the relational elements that underpin impactful implementation. If we want to build trust, repair relationships and establish genuine partnerships, we need to shift a number of components in interconnected ways. This includes *mindsets and attitudes*; *culture and ways of working*; *public administration approaches and tools*; and *system design and mechanics*. For example:



Drivers of a Transformed System

Our discussions with people- and place-centred initiatives and the litany of studies and reports revealed six interconnected drivers for a transformed social services system.

A Shared Purpose with Long-Term Investment

The issues the social services system seeks to address are persistent, complex and interrelated. Efforts to address them need to be long-term and aligned under a common purpose. This will require actors coming together to set a shared purpose for the system. It will also require long-term funding and changes to contracts that preference stability of service.

Grounding Relationships in Trust and Transparency

The partnerships required for system transformation will not succeed unless those relationships are grounded in trust and transparency. This will require a move away from excessive compliance and monitoring towards transparency, consistent communication, clear expectation-setting and the genuine devolvement of power.

Coordinated and Cooperative Approaches

Siloing and excessive competition have led to the fragmentation of services and duplication of programs. Governments, philanthropy, service providers, communities and other actors need to coordinate and cooperate to provide the holistic, wraparound support people need. This might involve a regular forum for discussion, more cooperative approaches to funding, stronger social networks or co-designed service delivery and evaluation.

Sharing and Devolving Power

We cannot truly centre people and place without addressing existing power imbalances. Service design, funding, outcome-setting and implementation responsibilities need to be shared across the system, with more agency and control sitting with those that services are designed to impact. This will require actors with power to devolve it to a more local level, shared decision-making structures and community capability-building.

Flexibility and Adaptability

The issues that harm individuals and communities can vary from place to place and shift over time. Even with a shared, long-term purpose, social services need to be flexible enough to adapt to these changes. Flexibility and adaptability will require flexible funding and ways of working alongside greater community involvement.

Learning and Knowledge Sharing

To enable a sustained, collaborative and adaptable approach to social services, we need better learning and knowledge sharing processes. This includes building tighter feedback loops between evaluation and service design, a culture of continuous improvement, participatory evaluation approaches, and mechanisms that broadly distribute data and knowledge.

What Holds the System Back

Short-term thinking prioritises quick-fix solutions - Election and budget cycles encourage short-term timelines and quick-fix responses. In reality, when people aren't treated holistically and the focus is on symptoms rather than root causes, issues worsen and become more difficult to address. While early intervention can save billions of dollars in avoidable costs, the system remains fixated on short-term, downstream crisis interventions.

A desire for predictability and risk-aversion impedes innovation - Public institutions notoriously struggle with complexity. The view that the system can simply be standardised and delivered at scale prevents responsiveness. Top-down approaches tend to oversimplify problems and focus on technical rules and mechanical processes to fix it. A focus on compliance further stifles flexibility and learning.

Rigid approaches to responsibility and accountability inhibit collaboration and capability-building - Providers and government departments operate in siloed policy and funding environments that disincentivise holistic support. Measures of success fixate on rigid key performance indicators set by government officials and signed off by Ministers. Methods and metrics emphasise resource efficiency and the opportunity to build human capability isn't fully realised. Power disproportionately sits with ministers and funders rather than the people that use services.

Sources:

<https://www.berrystreet.org.au/uploads/main/Files/SVA-ResearchPaper-TheEconomicCaseForEarlyIntervention-2019.pdf>

Australian Public Service Commission (2007). Tackling Wicked Problems: A Public Policy Perspective. Commonwealth of Australia: Canberra.

<https://www.enablingchange.com.au/wickedproblems.pdf>.

[Locality Why local by default must replace diseconomies of Scale](#)

Seeing Like a State - James C Scott

The Community-Led and Place-Based Initiatives We Spoke to

- Communities of Focus
- Evolve Network
- Flemington Works
- Mid Coast 4 Kids
- Thriving Queensland Kids Partnership
- Community Refugee Sponsorship Australia (CRSA)
- Family by Family
- Hands Up Mallee
- Our Town
- Hunter Jobs Alliance

Some of the Studies, Reports and Inquiries We Reviewed

- Productivity Commission (2024). *Review of the National Agreement on Closing the Gap*.
- Productivity Commission (2024). *A path to universal early childhood education and care*.
- Department of Workplace and Employment Relations (2024). *Legislated Review of Workforce Australia*.
- James Martin Institute for Public Policy (2024). *Supporting Children and Families to Flourish: Putting Human Relationships at the Centre of Transformational Reform of the Child Protection and Out-of-Home Care System in NSW*.
- Demos (2024). *Taking Back Control: Proposals for How to Give Power and Agency to Our Communities*.
- Select Committee on Workforce Australia Employment Services (2023). *Rebuilding Employment Services: Final report on Workforce Australia Employment Services*.
- Commonwealth (2023). *Royal Commission into the Robodebt Scheme*.
- South Australia (2023). *Royal Commission into Early Childhood Education and Care*.
- Department of Home Affairs (2023). *Review of the Migration System*.
- Department of Jobs, Skills, Industry and Regions (2023). *Funding place-based approaches A toolkit for the Victorian Public Service*.
- Department of Social Services (2023). *A stronger, more diverse and independent community sector – Issues paper*.
- Strengthening Communities Alliance (2023). *Strengthening Communities Alliance Position Paper*.
- Paul Ramsay Foundation (2023). *Where are we? Place-based approaches to tackling community challenges in Australia*.
- Jesuit Social Services (2022). *What works for place-based approaches in Victoria? Research report and case studies*.
- Commonwealth (2021). *Royal Commission into Aged Care Quality and Safety*.
- Jesuit Social Services (2021). *Dropping Off the Edge 2021: Persistent and multilayered disadvantage in Australia*.
- Department of the Prime Minister and Cabinet (2019). *Our Public Service, Our Future. Independent Review of the Australian Public Service*.
- Select Committee on Intergenerational Welfare Dependence (2019). *Living on the Edge: Inquiry into Intergenerational Welfare Dependence*.
- Queensland Government and Commonwealth (2018). *Place-based Evaluation Framework: A guide for evaluation of place-based approaches in Australia*.
- Empowered Communities (2015). *Empowered Communities: Empowered Peoples, Design Report*.
- Australian Institute of Family Studies (2015). *Commonwealth Place-Based Service Delivery Initiatives Key Learnings project*.
- Murdoch Childrens Research Institute and The Royal Children's Hospital Centre for Community Child Health (2014). *Big thinking on place: getting place-based approaches moving*.
- Australian Social Inclusion Board (2011). *Governance Models for Location Based Initiatives*.
- Commonwealth (1991). *Royal Commission into Aboriginal Deaths in Custody*.

The Reform Context

Session 1

There are a multitude of national social services system reforms underway.

There are also reforms to the Australian Public Service itself aimed at establishing a “genuine partnership with the community to solve problems”.

We can leverage these to transform the system and the relationships within it.

Measuring What Matters Provides Clarity to the Aims and a Way to Track Progress

In July 2023, the Albanese Government released *Measuring What Matters*, Australia’s first national wellbeing framework, to track progress towards a more healthy, secure, sustainable, cohesive and prosperous Australia.

The Framework includes 50 indicators organised according to five wellbeing themes. It also includes an overall life satisfaction indicator. **Inclusion, equity and fairness are cross-cutting dimensions of the Framework.** This reflects the need to ensure that wellbeing outcomes are fairly shared amongst the population.

Wellbeing Themes

-  **Healthy:** A society in which people feel well and are in good physical and mental health, can access services when they need, and have the information they require to take action to improve their health.
-  **Secure:** A society where people live peacefully, feel safe, have financial security and access to housing.
-  **Sustainable:** A society that sustainably uses natural and financial resources, protects and repairs the environment and builds resilience to combat challenges.
-  **Cohesive:** A society that supports connections with family, friends and the community; values diversity; and promotes belonging and culture.
-  **Prosperous:** A society that has a dynamic, strong economy; invests in people’s skills and education; and provides broad opportunities.

Access to Health Services

Feeling of Safety

Trust in Others

Overall life Satisfaction

Educational Attainment

Job Satisfaction

Wages

Acceptance of Diversity

Household Income and Wealth

Broadening Access to Work

Skills Development

Creative and Cultural Engagement

Income and Wealth Inequality

Job Opportunities

Sense of Belonging

Experience of Discrimination

Reform Context

Reforms are happening concurrently across the Commonwealth Government and among the states and territories. These reforms demonstrate that government ambition connects to our proposed new drivers of a transformed system and that there is already some alignment across reforms.

Reform	Details	Alignment with Drivers
National Agreement on Closing the Gap	<ul style="list-style-type: none"> Formal Partnerships and shared decision making Building the community-controlled sector Transforming government organisations Shared access to data and information at a regional level 	Share and devolve power while strengthening genuine partnership with communities
Tackling Entrenched Disadvantage (TED) Package	<ul style="list-style-type: none"> Extending Stronger Places, Stronger People Whole of government framework for addressing entrenched disadvantage Life course data initiative Outcomes fund 	Improve collaboration and coordination while demonstrating different learning and funding mechanisms
APS Reforms	<ul style="list-style-type: none"> Embody integrity Put people and business at the centre of policy and services Be a model employer Build capability 	Build government capability, particularly around partnership with community
Early Childhood Education and Care Reforms	<ul style="list-style-type: none"> National long-term vision Reviews and inquiries to design a universal ECEC system (ACCC, PC, etc.) Early years strategy, centres child wellbeing, connects ECEC to ECD reform 	Create a shared purpose, promote coordination with broader ECD services/supports, and encourage a long-term commitment
Rebuilding Employment Services	<ul style="list-style-type: none"> Tailored and flexible services Government stewardship Growing learning and collaboration mechanisms Building capability 	Enhance flexibility and improve learning and collaboration
Disability Employment Services Reforms	<ul style="list-style-type: none"> Expanding eligibility Tailored and ongoing support Focus on building trust Enhancing information and communication technology systems 	Demonstrate the importance of tailored approaches and trust-building
National Disability Insurance Scheme	<ul style="list-style-type: none"> A unified system of support Empowering people with a disability Government stewardship 	Share power and enable cooperation and coordination
Settlement Policy and Reform	<ul style="list-style-type: none"> Language and digital literacy Economic participation Social connections Self-agency 	Emphasise the role of social capital and community empowerment

ECEC, Closing the Gap and Employment Services Reforms are Ready for Transformation

Early Childhood Education and Care

Australia's early childhood education and care sector (ECEC) continues to be a major focus for federal, state and territory governments, with progress made in several key areas. However, challenges remain, particularly around workforce sustainability, access, affordability and fragmentation/complexity for families.

Key initiatives include increased Child Care Subsidies, expanded access to universal preschool for three- and four-year olds, and efforts to address workforce shortages through improved wages and training opportunities.

The ACCC's final report on childcare highlighted rising costs and the need for stronger regulation to ensure affordability for families. The Productivity Commission's Inquiry into ECEC also recommended affordability, inclusion and accessibility improvements.

More progress is needed to move towards a locally accessible and inclusive system that is universal, affordable and high-quality.

Closing the Gap

After nearly 15 years attempting to achieve equality in health and life expectancy for Aboriginal and Torres Strait Islander peoples, all levels of government and the Coalition of Peaks came together to develop the National Agreement on Closing the Gap. Priority reform one was formal partnership and shared decision-making between First Nations peoples and government and adequate funding for these collaborations.

The full set of structural changes needed for true Indigenous empowerment are far from implemented. In its *Review of the National Agreement on Closing the Gap* (2024), the Productivity Commission notes that there has been little tangible movement by the government towards genuinely shared decision-making with Aboriginal and Torres Strait Islander peoples.

The commission outlined some key changes needed from the government to facilitate a broader shift towards place-based decision-making and service delivery. More work needs to be done across all four priority areas to change the way governments work with Aboriginal and Torres Strait Islander communities.

Rebuilding Employment Services

The recent Rebuilding Employment Services report by the House Select Committee on Workforce Australia Employment Services makes the case for a system centred on people and place.

The report argues that we need to start by busting the myth that most people on welfare payments are seeking to scam the system. Instead of a system that is engineered to keep people in line, the system should offer inclusive support that focuses on building trust and connection, helping people meet their employment and career goals, and connecting job seekers to opportunities in their local labour market.

In its response, the government acknowledged the need for significant reform to employment services, starting with putting people at the heart of a new system. It emphasised that the system must refocus on its core purpose: supporting people in finding secure, long-term employment, rather than administering compliance.

Taking the Next Step

Session 2

Systems don't change overnight. A long-term commitment is needed to guide reforms through to effective implementation.

We can build a vision for a transformed social services system and work strategically to reform parts of the system, update ways of working and build capability over time.

Many Practical Approaches are Already Proposed or Underway

Aboriginal Community Controlled Organisation (ACCO)

Funding Model - SNAICC has proposed a sustainable funding model for ACCO integrated early years services that would replace the existing Child Care Subsidy (CCS) architecture. The model includes a shift towards needs-based block funding that supports all components of service delivery, including childcare. Such a funding structure would allow ACCOs to deliver the holistic, integrated, needs-based intent of ACCO-led integrated early years services. The flexibility of this funding model, would enable ACCOs to deliver services tailored to the needs of local communities. The Productivity Commission has responded positively, recommending that governments consider funding arrangements for ACCOs through a shared decision-making process. The holistic, place-based approach championed by ACCO-led services offers valuable lessons for broader commissioning and funding strategies that are better attuned to the unique needs of local communities.

TED Package - The whole of government framework to address community disadvantage aims to identify strategic objectives and key principles for how Government works in partnership with communities. The package also includes an outcomes fund, which provides an opportunity to grow partnerships with the states and territories and social enterprises to fund projects that deliver outcomes in communities.

The Possibility Partnership - The Possibility Partnership (TPP) is a collaborative effort by a number of Australia's community service organisations to change the social services system. TPP recognises that too many people are being left behind by a complicated, fragmented and transactional system. It is working in partnership with communities, governments and philanthropy to take the theories behind system change and put them into practice.

Regional Jobs Hubs Tasmania - The Regional Jobs Hubs initiative is a state-wide, community employment model led by the Tasmanian government in partnership with community. It creates employment outcomes for Tasmanians in the places that they live, while also addressing critical industry and workforce needs in local communities and regions. Funding and accountability is based on outcomes; tied to annual activity plans informed by the local operating context; and agreed by individual hubs, their advisory boards and the funder (state government). These can evolve based on learning from implementation fed back to the state team through regular engagement with the hubs.

Ideas to Move the System Forward

CPD's research identifies four ways to begin to move the system forward. These are: (1) establishing a clearer purpose for the system and its subsystems, (2) integrating shared learning and developmental evaluation mechanisms, (3) developing new ways of commissioning social services, and (4) using demonstration sites or innovation zones to test new approaches and how to take them to scale.



Establish a Clear Purpose - The system lacks clarity of purpose. Problems and solutions are designed in narrow and disconnected streams. Last year, PM&C Secretary, Glyn Davis, shared a vision for a social services system “designed to build capability and resilience, focused on the whole person, grounded in community.” We need this level of clarity across reform efforts in early childhood, employment, disability and other subsystems and it needs to be connected to reform efforts across the states and territories and involving service providers, community leaders and local government.



Integrate Better Learning Mechanisms - The system has fixated on targets and KPI's, but these things don't tell the full story. If we want to grow capability we need to start learning from failures and sharing successes. This involves a culture of continuous improvement and feedback loops that connect practice to policy. The Australian Centre for Evaluation, academia, providers and communities should work together to develop long-form, developmental and process evaluation and learning mechanisms.



Develop New Agreements for Working Together - The interest in shared decision making and accountability is high and we need to develop the practical means to achieve this. To enable cooperative and collaborative delivery, we need to redesign the tools we use to commission services and manage contracts. Reforms proposed across Workforce Australia, Disability Employment Services and the Humanitarian Settlement Program could benefit from a co-commissioning approach.



Demonstrate What a New System Looks Like - There are opportunities to work with local communities by co-designing coordinated and collaborative ways of delivering services. This could include testing out governance arrangements that support horizontal and vertical alignment, new funding models, evaluation measures that focus on practice and policy improvement, etc. These can't operate completely outside of the large services systems. A long-term funding commitment to these sites along with a plan for how learning will be shared across and integrated into the ongoing services system is essential.

Shifting to new ways of working will require an associated growth in government, philanthropy, provider and community capability. This capability-building has been a clear theme from our stakeholder engagements and the evidence we have reviewed. For capability-building to be successful, it needs to be tied to practical action. All actors should commence processes to strengthen their capability by learning from practice.

- Government capability-building might involve:
 - The Australian Public Service Commission and the APS Reform Office continuing to build the skills and mindsets for community and provider partnership and set out performance frameworks that encourage people- and place-centred ways of working
 - Government currently contracting out services taking on some direct delivery in new service system designs (early childhood, employment), giving them greater knowledge and understanding of what's involved and how best to steward the system.
 - Departments with service system responsibilities hosting workshops, conducting community immersion programs or locating staff in communities while developing mechanisms that share learnings throughout the organisation
- Philanthropic capability-building might involve:
 - Partnering with government and community on big-picture systemic reform and supporting aspects of reforms that are more difficult for government to fund
 - Re-evaluating the methods of evaluation and measures of effectiveness that are inherent in funding agreements so that they are tailored to community contexts and support the conditions that enable communities to thrive
- Service provider capability-building might involve:
 - Funders providing sufficient time and money for community partnership and its associated capability-building processes
 - Provider organisations dedicating appropriate time, staff and other resources to community-led processes
 - Providers training staff in the skills required for people- and place-centred service delivery
- Community capability-building might involve:
 - Funders identifying and building up local leaders and organisations through a community leadership academy, invitations to professional conferences or other methods
 - Governments dedicating a portion of grants and contracts within a location to local community-led organisations
 - Providers embedding community members in service design, delivery and evaluation
 - Governments genuinely including communities or their representatives in policy design and implementation