

Community Sector Industry Development Services

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Industry Assistance Strategies for the Community Services Sector in the Illawarra Region.

The Council of Social Service of NSW (NCOSS) is a community organisation working to achieve social justice for disadvantaged individuals and communities. NCOSS provides an independent voice on welfare policy issues and social and economic reforms, and is the major co-ordinator for Non-Government Organisations working on social justice issues in NSW.

The Illawarra Forum Inc. is the regional peak body for community service organisations in the Illawarra region, covering the local government areas of Wingecarribee, Shoalhaven, Kiama, Shellharbour and Wollongong.

NCOSS and the Illawarra Forum have been monitoring the impacts of reform and restructuring on community services since the mid 1990's. In the Illawarra we have jointly conducted two seminars on competition policy and market reforms in the community sector (1997 and 1999). By 1999, many community service organisations were reporting major changes to:

- The management of their organisations;
- The resources available to their organisations;
- Employment practices and work conditions;
- Relationships between organisations;
- The ability and time to carry out core service delivery functions.

Some organisations were coping well with, and embracing the changes, whilst the majority were experiencing high levels of organisational stress.

Jointly, NCOSS and the Illawarra Forum approached the Department of Business and Regional Development with evidence that the Community Services Sector constituted an industry in need of assistance to adjust to the major reforms and restructures being driven by government policy.

The Department of Business and Regional Development agreed to fund a Feasibility Study to diagnose the impacts of reform on the community services sector and to assess the feasibility of a networking strategy to assist the industry adjust. This study was undertaken during 1999 - 2000. The study was conducted in the Illawarra region with the intention of piloting identified strategies within this region.

Based on the diagnostic work conducted in the study, the feasibility report utilised a framework of 'hard' or 'formal' network models as a proposed industry adjustment strategy.

Why an Industry Assistance Approach:

Community-based, non-government agencies that provide social / community services constitute a significant sector of this region's economy. Research undertaken by the Illawarra Forum in March 1997 identified 287 community based community service organisations in the region which employed staff. These organisations can be viewed as a cluster of small to medium sized non-profit businesses which provide services, employment and generate other business and community activity.

All these organisations receive some level of government funding. There are a multitude of State and Federal government departments involved in funding / purchasing community services through these organisations. Whilst specific restructuring issues occur for different parts of the community services sector, there are commonalities across service types and funding sources which could be addressed in a sector-wide strategic approach.

In other types of industries formal or 'hard' networks between businesses have been successfully utilised to build economy of scale, improve competitiveness and develop regional expertise. The Feasibility Study took the experience of other industries as well as the experience within the community services industry to develop models of formal networks that could be used to assist in restructuring organisations in order to enhance their outcomes and capacity.

Pressures on the Community Services Sector:

The Community Services Sector in NSW, as elsewhere, has been experiencing significant changes which have impacted on the way it operates since the mid 1990's. In particular, the general shift from a government grant system to a contracting and competitive tendering approach to providing community services has placed pressures on this sector such as:

- Threats to the viability of smaller community organisations competing to provide services;
- Increased need for management support and skills in areas such as financial management, IT systems, tendering, project management and performance monitoring;
- The emergence of scale as an important determinant in winning contracts and delivering services;
- Impact on workforce patterns due to shorter term contracting arrangements.

The current situation for community service organisations is also influenced by changing management and accountability practices and policy shifts within government departments.

In short:

- The sector is undergoing rapid change, in large part through government driven policy / funding changes which are 'corporatising' the sector, opening it up to 'outside' competition and tending to favour larger organisations.
- Community sector organisations are under increasing stress – on their resources, expertise and management capability.
- The impact of and response to these developments vary widely in the sector. Smaller, local organisations (the bulk of organisations in the Illawarra region) seem most vulnerable. In addition, it is apparent that some organisations have responded to these changes more readily than others: some organisations and individuals seem more positive than others about the changes and some seem better equipped than others to respond.

Collaboration Strategies for adjusting to the current situation;

In order to adjust to the changes in the community services sector, many organisations need to develop the capacity to achieve:

- The benefits of economy of scale
- An ability to access resources (internal or external), such as expertise on tendering, financial management, I.T. skills, human resources expertise.

Small organisations attempting to achieve this on their own, or internally, are unlikely to succeed in the current context.

The current context is making collaboration ever more critical to allow organisations to:

- develop essential skills,
- to achieve an appropriate balance between administration / organisational management and service delivery and
- to contest tenders that require a geographic coverage or range of services beyond an individual organisation's scope.

A range of collaborative models have always existed within the Community Services Sector. Moving into more formal partnership arrangements, however, is practiced by few organisations. Factors such as lack of time or finances to put into the development of partnerships and lack of skills and knowledge in these processes affect organisations' ability to participate in new collaborative arrangements.

The Feasibility Study produced develops a model of collaboration specifically for community service organisations. Within the model there are four network types, each analysed in relation to purpose, benefits, limitations and current examples.

These have been developed to specifically address the major issues presenting for community service organisations and to enhance sector capabilities.

Pilot Models to test the Network Strategies:

The Feasibility Study developed four pilot projects which would test the ability of the network models to deliver tangible restructuring outcomes.

The pilot networks aim to encourage collaboration by those community sector organisations which are most vulnerable to external competition for funding, and which are most strongly experiencing the range of pressures and difficulties outlined in the diagnostic information. These will tend to be smaller local organisations who:

- are under-resourced, especially in relation to larger national groups who may be competing for funds;
- often find it hard to move resources around to meet needs;
- find it hard to draw on the range of skills and expertise required to meet current requirements, particularly where they rely on volunteer, part time and sole workers;
- experience variable calibre in their Management Committee members;
- are struggling to respond to new processes, standards and management requirements being imposed on the sector, eg financial management, tender and project management;
- are very threatened by external competition as funding becomes more contestable.

The proposed pilots use the following network models:

- Resource Sharing Network
- Long – Term Partnership – small organisations
- Long – Term Partnership – large number of organisations
- I.T. Infrastructure Project.

Project Management Unit to Oversee the Implementation of the Project

Overall project Management and Infrastructure Development is proposed through a centralised resourcing unit which would:

- Consist of a full-time project officer and clerical support.
- Be located within the Illawarra Forum Inc. and linked to its Community Management and Information Technology Unit,

This unit would be a catalyst and resource for developing partnership and network relationships based on the model developed in the feasibility study as well as acting as overall project manager for the four pilot projects.

More specifically, the role of this unit would be to:

- Undertake overall management of the four pilot projects;
- Provide a co-ordinated focus for the network models explored by the pilots to ensure common values, cross-over of strategies, consistent planning and documentation, vision and support;
- Ensure the models piloted become prototypes for the sector;
- Plan and implement strategies associated with partnerships,

- Identify and buy / bring in additional resources (skill, knowledge, expertise) required to facilitate the pilots and other partnerships being explored.

Outline of the Pilot Projects:

Project 1:

Resource Sharing Network - a range of small organisations based in one geographic area: To develop a formal network in the Wingecarribee local government area between a range of community sector organisations, which aims to share and improve resource support for member organisations.

Project 2:

Long term partnership - a number of similar small organisations in one geographic area: To develop a formal network in the Shellharbour local government area between a number of Neighbourhood Centres, which aims to explore a long term partnership to enable these organisations to improve services and gain economies of scale and resource efficiencies while maintaining local autonomy.

Project 3:

Long term partnership - a large number of HACC based organisations across the whole Illawarra Region: This partnership is in the process of formation but has experienced difficulties which may be addressed by resourcing and supporting it through the pilot. If successful, this will be a strategically vital initiative which can establish a regional network capable of contesting funds on behalf of members, co-ordinating and managing projects, providing in depth management support etc.

Project 4:

IT Infrastructure project: To develop a community service intranet for the Illawarra region with support functions which will:

- Enable participating organisations to post information including: data bases, diary information, service capacity, booking for service provisions, network meeting information, dates and agendas.
- Develop groupware capacity to facilitate simultaneous communication between organisations working on joint documentation, joint projects, joint resourcing arrangements.
- Facilitate organisations' capacity to gain or compete for funding through access to relevant information, electronically transmitted forms and enhance ability to form formal partnerships.

Justification for the pilots selected, details on the implementation stages and identification of outcomes are itemised in the full feasibility study.

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Helen Backhouse is the Co-ordinator of the Illawarra Forum Inc. Illawarra Forum is a regional peak organisations for community services in the five local government areas of the Illawarra. As a broad based regional forum it takes up issues across program areas that impact on the region's services and communities. The Forum provides a Community Management Support Unit, a Community Service Information Technology Unit, co-ordination projects, an Aboriginal and Torres Strait Islander project, auspices a Regional Tenant Support Service and undertakes resourcing, information provision and representational roles. The Illawarra Forum values social justice, community development, self-determination of the ATSI community, co-operation and the generation of alternative ideas and approaches.