

# Enabling Collaboration: The Victorian Service Agreement Review

Summary of report prepared by VCOSS in conjunction with the non-government<sup>1</sup> members of the Service Agreement Working Group

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## BACKGROUND

The Service Agreement is the standard contract between a government department and an organisation funded to deliver services on its behalf. The current Service Agreement between the Victorian Government and Victorian community service organisations will expire on 30 June 2024 and the Service Agreement Review is underway.

The consultation and negotiation process that will inform the development of the 2024 - 2028 Agreement is led by the Service Agreement Working Group (the Working Group), which comprises sector and departmental representatives. The Working Group reports to the Human Services and Health Partnership Implementation Committee (HSHPIC).

## CONSULTATION PROCESS

VCOSS' consultations in October – November 2023 involved 56 community service organisations that are subject to the Service Agreement.

The consulted organisations vary in size and geographic reach and work in a broad range of areas including children, youth and family services, family violence, housing, community development and support services, health and disability, and Aboriginal community-controlled organisations (ACCOs).

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<sup>1</sup>The non-government members are: Mackillop Family Services, Mental Health Victoria, Neighbourhood Houses Victoria, Safe and Equal, Victorian Aboriginal Child Care Agency, Victorian Aboriginal Community Controlled Health Organisation Inc and the Victorian Council of Social Service.

## A UNIQUE OPPORTUNITY TO REFRAME THE SERVICE AGREEMENT AS A PARTNERSHIP TOOL FOR THE DELIVERY OF QUALITY SOCIAL SERVICES

The current reform context – including the new social services regulatory scheme, the Community Services Sector Fair Jobs Code and the Victorian treaty process - provides an important opportunity to reframe the contractual relationship between departments and funded agencies to reflect the aims and spirit of the reforms.

### CONCURRENT REFORMS

- Objectives of social services regulatory regime include streamlined reporting and risk-based approach to compliance with service standards
- Government actively promoting sector job security, workforce retention through Jobs Code
- Recognising the status, rights, cultures and histories of Traditional Owners and Aboriginal Victorians through the treaty process

### OPPORTUNITIES FOR SERVICE AGREEMENT

- Mutual obligations for clear and efficient collaboration and fair risk-sharing between the parties
- Stronger, ongoing dialogue between departments and funded agencies to support continuity & manage change
- Greater flexibility to innovate and evolve services to meet client and community needs
- Enacting the principle of Aboriginal self-determination

## KEY PRIORITIES FOR THE SECTOR

1. Enacting the principle of Aboriginal self-determination in the terms of the Service Agreement
2. Streamlined obligations in light of new regulatory scheme (regarding service delivery, notifications and external policies and guidelines)
3. A strengthened process for varying the Service Agreement
4. Streamlined reporting requirements and targets developed in collaboration with funded agencies
5. Inclusion of the indexation formula, alignment with accounting standards and flexibility in funding arrangements
6. Reasonable timeframes and a set notice period to respond to key government communications
7. Refined terms regarding assets, recoupment and dispute resolution in recognition of community organisations' independence
8. Consortia and partnerships are enabled to function effectively, including facilitating respectful co-design and co-production approaches
9. A simpler Service Agreement that streamlines T&Cs and enables a tiered, tailored contracting approach
10. A seven-year Service Agreement term