

# A Social Services Pricing Framework

A pricing framework to improve the way government purchases services to deliver better outcomes

**VICTORIA**  
State  
Government

Premier  
and Cabinet

The Victorian Government is developing a Social Services Pricing Framework (the pricing framework) to provide a consistent approach to pricing that can help guide government decision making in setting a price for services delivered across the social and justice sectors.

As part of this work, the Victorian Government is consulting on the pricing framework and is seeking feedback to ensure it is appropriate and effective for the social and justice service sectors.

## Why do we need a new approach to pricing?

Recent social and justice services reviews and reform initiatives in Victoria have called for more integrated, person and family-centred services and improvements to the way government purchases them.

Under the proposed pricing framework, complex, inflexible pricing for a range of individual activities can be brought together, where appropriate, into broad support categories with common units of measurement. Introducing consistent pricing across similar services will enable service providers to continue to direct resources to the services that people need most.

## What will the framework achieve?

The pricing framework aims to bring consistency and transparency to the way government purchases services, and better meet the need for flexible and person and family-centred services.

This supports a focus on achieving outcomes for people, rather than the activities or outputs delivered, and is one step in achieving a more coordinated system that is focused on the outcomes of meeting individual needs.

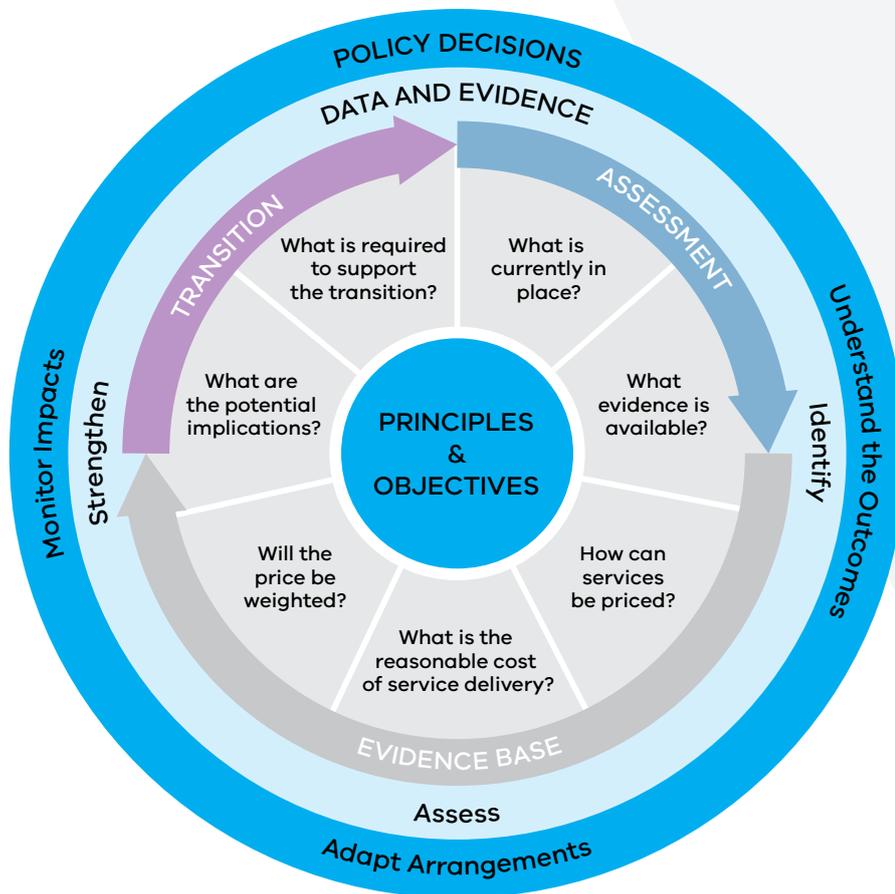
## WHAT IS THE OPERATING CONTEXT?

There are over 500 activities or services funded by government and delivered by social and community service organisations in Victoria.

There are over 4,500 community services organisations operating in Victoria.

## How will it work?

A consistent pricing framework across social and justice services can set broad questions, apply across a broad range of individual service sectors and support the flexibility for service providers to cater for individual needs. The pricing framework provides a broad set of questions to consider during three key phases of a price setting process. The phases include:



1. **The assessment phase**, where we establish what pricing arrangements are in place and what is to be priced.
2. **The evidence phase**, which establishes how services can be priced, seeks to set a price through estimating the reasonable costs of service delivery and considers weighting factors.
3. **The transition phase**, which considers the pathway towards implementing pricing decisions.

More information on each phase of the proposed pricing framework can be found in the consultation paper.

## Have your say

All interested individuals and organisations are encouraged to make a submission on the proposed pricing framework by Friday 10 August 2018.

For more information, or to make a submission visit: [www.engage.vic.gov.au](http://www.engage.vic.gov.au)