

Smaller is Better

In a world that is increasingly commodified, where everything has a cost, a unit price, where services that are essential for the health and welfare of people are purchased, as if they were a product on a supermarket shelf, there is a compelling case to reimagine a better way of delivering health and community services.

The rise of isolation, alienation and mental health problems

Our health and community services have a highly developed vending machine model i.e. you put money in and get a service delivered. If you don't get what you want from the vending machine (service) you become angry and alienated. If you don't have money, you are likely to be put on a waiting list for a service (think public dental, aged care and housing) and if you wait long enough and live long enough you might eventually get the service. But only the clinical service or product is offered, nothing more. Remember the idea of "holistic care". Individuals and communities get angry with the vending machine model and the lack of involvement, scrutiny and control over taxpayer funded services.

There is much evidence about the increase in the alienation of communities and individuals in our general population and by extension from the services they use. Services that are supposed to improve the health and well-being of individuals once had a key role in addressing isolation and encouraging community connectedness. They now play little or no role in addressing this. They are not funded to do it, and they don't. Meanwhile, there is increasing evidence of poor mental health outcomes, increased isolation and declining rates of friendships (HILDA Statistical Report, 2025).

Our underpinning values

So, what has happened to concepts which were once valued and underpinned our services like:

- doing things with people not for people ... an anathema to health professionals and other service providers under individualised funding models
- having a focus on neighbourhoods and community connection, where services could be provided within walking distance of where people live
- where effort and resources are put into engaging with service users and the broader community not just as clients but as part of a positive community ecosystem – sharing the challenges and opportunities of living in our neighbourhoods.
- the concept of creating healthier communities and environments, not measured by outputs but by outcomes (one of which should be improved social connectedness and mental health)
- the average resident feeling a sense of partnership with their service providers whether it be health, childcare, aged care, disability etc
- resources being provided to ensure that community connectedness is real and measurable, embedded within a service. For example, medical practices have been encouraged to achieve this through the development of Health Care Homes – not just a clinical service but a place to belong.

Bigger NGOs and bigger services

The increased commodification of services has led the community services sector to embrace the "bigger is better" mantra. The argument, with very little evidence, goes, larger services, and bigger budgets are needed to deliver services in an increasingly complex and risk averse environment. They cite the need for:

- creating efficiencies through economies of scale
- increasing and improving the bureaucracy and their salaries
- more and better marketing, IT, quality, risk management
- competing with other large NGOs to attract resources etc.

This is aided and abetted by government policies around competitive tendering, alongside the business models of NDIS, My Aged Care, Medicare, childcare etc. Only now is it becoming recognised that other funding methods such as block grants with measurable outcomes is better and more accountable.

Numerous examples in the health, childcare, aged care and disability areas (like church-based services, community-controlled childcare, community health, community aged care services) have succumbed to the “bigger is better” mantra¹. As these services have become larger, statewide and national, the capacity to be relevant and involved in neighbourhoods is virtually non-existent. The downside cost is huge. Their relationships with the community are purely transactional to deliver a product (service). Service delivery outlets exist only for their few “clients” and are now irrelevant, largely invisible and totally disconnected from the broader community within which they provide services. The pretext of being a “community” service is often not even mentioned in their names and their ubiquitous marketing material.

We are now witnessing the negative outcomes of the “bigger is better” approach, and the loss of being in partnership with communities and individuals. Even worse, it could be argued that the broader community (taxpayers) have become systemically excluded from involvement and partnership over what are largely taxpayer funded entities.

The idea that the professionalisation of services, throughput requirements and larger bureaucracies doesn't allow time to create partnerships with clients and communities is intellectually lazy. A far easier answer is to grow, amalgamate and become a vending machine with a bigger budget and more staff.

The evidence about increased isolation and loneliness, disconnection from community and the neighbourhoods we live in is clear. There is a consequent decline in mental health outcomes and perversely, the need for these services.

Reimagining neighbourhood based services

It doesn't take much effort to recall or reimagine a set of vibrant neighbourhood-based services which once existed but are now just service delivery points for government funded contracts. Some smaller services have managed to survive, particularly in small rural towns, much to the benefit of those living there. Local government at its best is a true local service which is meaningfully and systemically involved with neighbourhoods and communities.

At a time where our urban planning is all about 20-minute neighbourhoods and liveability (Plan Melbourne 2017-2050), government should reconfigure its purchasing and funding arrangements for health and community services to deliver the benefits of smaller community services that work as equal partners with their clients and crucially the broader communities they serve.

Those charged with governing these services should reverse the bigger is better models they have created. They should look at the mounting evidence that growth has occurred at huge cost to the neighbourhoods within which they operate and exacerbated many of the issues they purport to address. If they refuse then funders should require a reconfiguration, aimed at addressing pervasive loneliness, social isolation and deteriorating mental health. We must stop providing services for people but rather with people. Smaller scale neighbourhood services with genuine community involvement and accountability are the way to achieve this.

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¹ According to the Institute of Community Directors Australia, 71% of charities are “prepared to consider a merger under the right circumstances” compared to 15% in 2009 who were considering a merger.