

[REDACTED]

Dear Sir/Madam,

I write on behalf of the [REDACTED] to make a submission to the Issues Paper titled '*A Stronger More Diverse & Independent Community Sector*'

[REDACTED]
[REDACTED] was formed in 1975 as the regional peak body for multicultural communities in the Illawarra region of NSW. Today, our organisation remains a non-profit charity with an \$11M turnover (FY22-23) delivering specialised services for migrants and refugees in the Illawarra, South Coast and Canberra Regions. We employ 150 staff and leverage the support of over 150 volunteers to support communities with a wide range of services funded primarily via Australian and NSW Government funding programs.

Review considerations

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- In our view, human services to Australians (& particularly vulnerable Australians) that are commissioned by government should be delivered primarily by non-profit organisations. There is no case that could possibly support a view that private companies & shareholders should benefit financially from human services to vulnerable Australians commissioned by government.
- As a multicultural service provider, our view is that the specialised nature of delivering services to migrants and refugees should be reflected in all future program design as a special needs cohort rather than a mainstreaming approach to services. There should be an accreditation mechanism in place for community sector organisations seeking to work with this cohort – the recent specialisation verification framework for aged care service delivery is a good example.
- The current model of 'contract management' via the Community Grants Hub, while efficient administratively, has had the negative effect of separating a deep understanding of community need derived from the sector in terms of government policy input. Strengthened relationships are needed with community sector organisations and the principal departments that fund them in order to be more responsive to changing needs of the community.
- Government tendering practices have, over the past decade or so, tended to be conducted over ever-increasing geographic service regions. This has favoured larger organisations with capacity & resources to operate at significant scale. The approach has at times been to the detriment of smaller local organisations with deep roots in their communities because they are unable to operate at the tendered scale.
- We support place-based funding approaches. The recent commissioning of the national 'Care Finder' Program via the PHNs is a good model for the future; it involved an intentional review of regional needs and then commissioning at the regional PHN scale.
- Grant programs of government ought to be commissioned over a minimum 7-10 yr term, with a mid-point evidence review period to: assess performance, be responsive to

changing community circumstances & allow for new entrants in the event of underperformance or additional community need. Departmental budget allocations for programs would benefit from having a defined 'ad hoc' or 'as needed' funding enhancement opportunity to respond to unexpected increases in demand or changing circumstances.

- The consequences of low value, short-term grant opportunities for the community sector include: high staff turnover rates, worker insecurity, reduced continuity of locally valued support programs for the community, inefficiency due to high project start-up costs, a transfer of cost to the charitable sector when valued programs are discontinued, and an inability for the community sector to invest in technology, innovation, and physical assets to meet growing demand. Forthcoming industrial changes will further impact the community sector's ability to stand-up & maintain short term projects by limitations on the use of fixed term employment contracts that have been a feature of the community sector (as opposed to permanent employment) due to insecurity of funding tenure.
- The community sector would benefit from funding partnerships with government that assist with innovation, technology and physical asset acquisition & improvements; in our experience, these investments - while necessary - are difficult to make given there are little to no margins made in non-profit service delivery. The NSW Government's "Sector Transformation Fund" of 2020-21 was a good example of an approach to help modernise the community sector.
- Consistency in grant-program funding indexation would be welcomed in the future; indexation should particularly be pegged to at least the minimum wage increase set by Fair Work and take into account inflation.
- Compliance burdens on the community sector are increasing; while strengthened accountability is important, this adds to the overall cost of community services delivery that needs to be factored into reasonable budget costings, data should be meaningful, and government reporting systems easy to navigate and integrate better with API integrations/interoperability across key client management system software.
- In terms of program design and funding levels,
 - indicative unit pricing ranges would be a useful addition to community sector grant programs to avoid a 'race to the bottom' approach to tendering and establish a level playing field on cost, with an increased weighting placed on expertise, prior experience and local connections
 - providing grants that reflect the real cost of delivering quality services which for complex cases need specialised support, longer interventions and additional supports. An example is the work we do in supporting newly arrived former refugees who have a myriad of gaps in their knowledge and skillset and barriers to access supports. Pre-set structures with prescribed number of sessions & 1:1 interactions fall often short of what is required to affect change.
 - providing funding support that enables true co-design approaches with stakeholders recognising longer timeframes are required for meaningful engagement and impact.
- The sector would benefit from a centralised, low/no cost worker training program in several core competency areas of community sector work. These perhaps could be funded by government through national or state peak bodies... it is a feature of many community sector workers that they lack key competencies in things like basic IT (word, excel, outlook etc), writing skills, interpersonal communication, boundary setting with

clients, self-care, and so on... and there seems to be duplicated effort & cost to support workers to obtain these skills.

- The last point relates to volunteering... many community sector organisations, including ours, rely heavily on the support of volunteers. We experience an increasing difficulty in recruiting volunteers in the current economic climate, with people having reduced capacity to volunteer because they are working more to meet the cost of living. Tax incentives to encourage community sector volunteering should be considered by government, along with additional support to help train, recognise and support volunteers in the workplace.

I trust that these points are of assistance to the review team

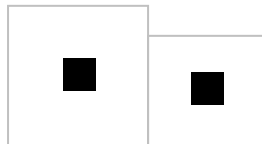
Sincerely

[Redacted]

[Redacted]

Chief Executive Officer & Co. Secretary

P: [Redacted] F: [Redacted] M: [Redacted]
[Redacted]
[Redacted]
[Redacted]
W: [Redacted]



[Redacted] *acknowledges the Traditional Owners of Country throughout Australia. We pay our respects to Elders past, present and emerging*

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