



A Stronger, More Diverse, and Independent Community Sector

November 2023



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Our Commitment to Inclusion

The Salvation Army Australia acknowledges the Traditional Owners of the land on which we meet and work and pay our respect to Elders, past, present and future.

We value and include people of all cultures, languages, abilities, sexual orientations, gender identities, gender expressions and intersex status. We are committed to providing programs that are fully inclusive. We are committed to the safety and wellbeing of people of all ages, particularly children.

Our values are:

- Integrity
- Compassion
- Respect
- Diversity
- Collaboration

Learn more about our commitment to inclusion: salvationarmy.org.au/about-us

The Salvation Army is an international movement and our mission is to preach the gospel of Jesus Christ and to meet human needs in his name without discrimination.

More information about The Salvation Army is at **Appendix A**.





Executive Summary

The Salvation Army welcomes the opportunity to provide this submission to the Department of Social Services in relation to the inquiry - A Stronger, More Diverse, and Independent Community Sector.

The Salvation Army is a trusted community organisation which delivers an array of services and supports to local communities across the country, made possible through government grants and funding.

For over 140 years The Salvation Army's services have walked alongside many children and families experiencing hardship and disadvantage. These experiences include, but are not limited to, poverty and financial hardship, family and domestic violence, homelessness, living with disability, and those of people from refugee and migrant backgrounds. It is from the experiences of our Community Members, as well as those of our staff, that we have approached this submission.

This submission has been structured according to the headings and questions of the issues paper as provided by the Department of Social Services. Here we outline some of the challenges faced by our services across grant and tender processes. Our recommendations come down to the need for funding mechanisms and processes that maximise resources available to frontline service delivery, working first and foremost to achieve high-quality outcomes for service-users.

The Salvation Army has made **23** recommendations for the Department of Social Services to consider. A summary of these recommendations follows on the next page.

The Salvation Army's Services Covered in this Submission

Doorways provides emergency relief and case management for people in crisis and helps them meet immediate needs, from unexpected bills to food vouchers. Doorways also works closely with other Salvation Army programs to assist individuals to regain control of their finances. We provide early education and prevention strategies for people who may be at risk of financial hardship.

Moneycare, The Salvation Army's financial wellbeing and capability service, has been operating for over 30 years and has helped thousands of people experiencing, or at risk of experiencing, financial and social exclusion. Services are free and confidential, and include financial counselling, financial capability support, financial literacy and capability workshops and microfinance.

Emergency and Disaster Response. The Salvation Army is a well-known presence during and in the aftermath of a disaster or emergency in Australia and internationally. Our emergency response services include our highly qualified and experienced strategic emergency and disaster management teams, supported by our emergency relief staff and managers, corps (church) officers on the ground in communities, and countless volunteers.





Summary of Recommendations

Recommendation 1

1.11 The Salvation Army recommends that the Department of Social Services continue and build upon existing collaborative platforms to ensure communication with Community Service Organisations is consistent, transparent, and reflective of sector needs.

Recommendation 2

1.12 The Salvation Army recommends that the Department of Social Services ensure that funding arrangement managers receive appropriate handovers and trauma-informed training opportunities prior to commencement.

Recommendation 3

1.24 The Salvation Army recommends that the Department of Social Services empower Community Service Organisations to utilise existing government information databases by providing training on available data, its interpretation, and how it can be utilised. Training should be complemented by consultation with Community Service Organisations regarding what data is of interest, and how it can be best presented to them.

Recommendation 4

1.32 The Salvation Army recommends that the Department of Social Services increase community service engagement in program design by:

- *Clearly articulating how program funding links to strategic priorities of government across the sector,*
- *Consulting the sector, and*
- *Acknowledging the additional responsibilities and clearly articulating expectations when engaging organisations in co-design processes.*

Recommendation 5

1.33 The Salvation Army recommends that the Department of Social Services proactively seek effective ways to amplify the voices of those with a lived experience in program design. This should include ensuring that all processes are culturally appropriate, and trauma-informed.

Recommendation 6

2.10 The Salvation Army recommends that the Department of Social Services build surge capacity into funding to allow Community Service Organisations to respond to emerging needs.

Recommendation 7

2.15 The Salvation Army recommends that the Department of Social Services increase grant funding to ensure administrative and overhead expenses are appropriately resourced to ensure that the majority of grant funding is used to meet the needs of service-users.

Recommendation 8

2.16 The Salvation Army recommends that the Department of Social Services ensures grant agreements provide clarity around what overhead and administrative costs service delivery charges should be utilised for.





Recommendation 9

2.23 The Salvation Army recommends that the Department of Social Services ensure that grant funding is sufficient to cover rising operational costs across the sector.

Recommendation 10

2.31 The Salvation Army recommends that the Department of Social Services build supplementation into base funding at time of grant renewals.

Recommendation 11

2.32 The Salvation Army recommends that the Department of Social Services review funding processes to ensure supplementation payments are received by Community Service Organisations in a timely and efficient manner.

Recommendation 12

2.33 The Salvation Army recommends that the Department of Social Services work to provide timely and transparent information regarding indexation and supplementation changes. This should include a breakdown of changes, and how these are calculated.

Recommendation 13

2.39 The Salvation Army recommends that the Department of Social Services implement mechanisms to better engage with Community Service Organisations regarding funding distribution to ensure it is equitable and responsive to community need.

Recommendation 14

2.50 The Salvation Army recommends that the Department of Social Services streamline reporting requirements for Community Service Organisations by clearly articulating reporting requirements within grant contracts and introducing fixed change timeframes.

Recommendation 15

3.6 The Salvation Army recommends that the Department of Social Services work to increase grant agreements to a minimum of five years to ensure certainty and stability of ongoing service delivery. Grant agreements and funding should be rolling, preventing significant market lockouts.

Recommendation 16

3.15 The Salvation Army recommends that the Department of Social Services provide final variation, extension or contract change outcomes at minimum six months prior to any changes being implemented.

Recommendation 17

3.16 The Salvation Army recommends that the Department of Social Services provide clarity and explanation of value-for-money outcomes within grant agreements. This should include how these outcomes are defined and measured.

Recommendation 18

4.4 The Salvation Army recommends that the Department of Social Services, in provision of funding to new or emerging organisations, ensure sector knowledge and experience is preserved by maintaining a balance of new and established Community Service Organisations.





Recommendation 19

4.11 The Salvation Army recommends that the Department of Social Services ensure that when requesting larger Community Service Organisations to take on sub-contracting arrangements, that these are accompanied by transition plans to allow smaller Community Service Organisations to take over service delivery. Any arrangement for larger Community Service Organisations to provide support should be accompanied by additional funding to do so.

Recommendation 20

4.12 The Salvation Army recommends that the Department of Social Services establish an increased number of communities of practice to encourage collaboration and support across the sector. These could be established on an as-needed basis.

Recommendation 21

5.5 The Salvation Army recommends that the Department of Social Services implement robust information sharing and privacy policies in place-based funding approaches.

Recommendation 22

5.11 The Salvation Army recommends that the Department of Social Services ensure that shared accountability frameworks are developed with Community Service Organisations and reflect local community needs.

Recommendation 23

6.4 The Salvation Army recommends that the Department of Social Services ensure that future tender opportunities include mechanisms to ensure Community Service Organisations are well supported and informed of decisions for or against funding. Successful tenders should be accompanied by a list of other funded Community Service Organisations in the sector to promote best community outcomes.



1 Giving the Sector the Voice and Recognition it Deserves Through Meaningful Working Partnerships

Clear and Effective Communication

- 1.1 The Salvation Army welcomes the Department of Social Services' (DSS) commitment to strong communication, collaboration, and partnership with community service organisations.
- 1.2 We believe effective communication to be key to an outcomes-driven partnership between government and Community Service Organisations (CSOs) to ensure high-quality frontline service delivery, and best outcomes for service-users.

Forums for Communication and Collaboration

- 1.3 In our experience, there is inconsistency in collaboration and communication between CSOs and DSS. This inconsistency has resulted in our services being unsure of DSS' strategic priorities or funding opportunities, and unable to provide regular feedback on service needs. This complicates service planning and hinders service quality and outcomes.
- 1.4 The Community Service Advisory Group (CSAG) and National Coordination Group (NCG) platforms have been invaluable in providing opportunities for improved engagement and partnerships between DSS and CSOs. Our emergency relief teams have further welcomed the establishment of state-based communication forums during the COVID-19 pandemic. We found these effective in establishing meaningful partnerships, improving communication, and ensuring services were reflecting the needs of service-users.
- 1.5 These communication and collaboration forums provide opportunities for the expertise of the community sector to further shape policy and policy recommendations and improve service responsiveness to evolving needs of service-users.
- 1.6 We urge DSS to consider embedding platforms such as the NCG and state-based forums across all sectors. We suggest that memberships should also be regularly reviewed to ensure appropriate representation, and that these forums could be established on an as-needs basis or be project-based.

Appropriate Staff Training and Handovers

- 1.7 Funding arrangement managers (FAMs) with sector expertise and knowledge are essential to ensuring responses that are well-informed and reflective of sector needs. The Salvation Army acknowledges that staffing and turnover can contribute to making this challenging and can lead to FAM's being appointed who have limited understanding of the sector – often including current contracts and funding practices.



- 1.8 In our experience, this results in increased workload for CSOs and their representatives who are required to educate and update FAM's before decisions can begin on service delivery. This impacts CSOs' ability to engage effectively with DSS, and causes disruption for CSOs, frontline services, and ultimately service-users.
- 1.9 We highlight the need for appropriate handover processes alongside mandatory trauma-informed training for FAM's, particularly in instances where prior knowledge of the sector is limited, to ensure this training does not become the role of CSOs within the sector.
- 1.10 We suggest that secondments between DSS and the community sector also continue to be utilised to ensure DSS personal develop a meaningful understanding of the challenges and pressures across the community services sector.

Recommendation 1

- 1.11 **The Salvation Army recommends that the Department of Social Services continue and build upon existing collaborative platforms to ensure communication with Community Service Organisations is consistent, transparent, and reflective of sector needs.**

Recommendation 2

- 1.12 **The Salvation Army recommends that the Department of Social Services ensure that funding arrangement managers receive appropriate handovers and trauma-informed training opportunities prior to commencement.**

Enhanced Information Sharing

- 1.13 The Salvation Army believes that effective information sharing is critical to the development of service solutions which meet the needs of service-users. In our experience, the sharing of information between DSS and CSOs can be further streamlined to support access to data in a timely, accessible and efficient manner. We suggest the following for consideration.

Improving Feedback Loops and Empowering CSOs to Utilise Current Data Collection Systems

- 1.14 Our services report little information or feedback from DSS following inputting data through the Data Exchange (DEX) platform. Whilst our services can track their own service trends, we highlight the value of being aware of similarities, differences, and patterns across the sector.



- 1.15 For example, we highlight the benefit of the DSS commissioned Hall & Partners report on emergency relief in Australia.¹ This report provided invaluable information regarding trends and needs across the emergency relief sector, and opportunities for improvement to enhance support pathways for service-users.²
- 1.16 We suggest that similar feedback and data shared publicly across community service sectors promotes evidence-based practice and could see significant improvement in the quality of services and outcomes for those who are experiencing disadvantage within our local communities.
- 1.17 Our services report that DEX and other government data platforms provide little feedback and are complex and difficult to navigate. We suggest these concerns can be rectified through:
- The provision of training – such as in the form of a webinar or training modules – to CSOs relating to what data is available, how to interpret said data, and how data within government platforms can be utilised.
 - Consultation with CSOs regarding what data is of interest and how it could be best presented in a form that is easily utilised across the sector. Consultation should also include regular updates on data, allowing CSOs to see trends across the sector, and tweak service delivery accordingly.

Utilising Existing Reporting Methods and Capabilities of CSOs.

- 1.18 The Salvation Army believes that CSOs with their own client databases should be enabled to record client information using these platforms, as opposed to being mandated to use the government's database. This includes outcomes data collection.
- 1.19 Alongside mandating particular data, this would streamlined information exchange between CSOs and DSS, whilst simultaneously empowering CSOs to utilise their own data for monitoring, evaluation and learning frameworks to support evidence-based practice.
- 1.20 Mandating the use of particular database systems can cause complexities, increased operational costs, and administrative burden for CSOs when reporting client data and service outcomes. For example, a CSO may have multiple funders and be required to record information across multiple databases. For organisations with their own existing database, this can also contribute to the loss of ability to utilise their own data.
- 1.21 By allowing CSOs to utilise their existing databases when reporting on client data and service outcomes, we believe administrative burden would be reduced, and information sharing streamlined. This would also allow for the gathering and reporting of rich data which otherwise may not be available on an ad hoc basis or is not captured or reported in DEX or other mandated system.

¹ Hall & Partners. (2023). *Emergency Relief in Australia: A review of the Commonwealth Funded Emergency Relief Program*. [emergency-relief-australia-review-commonwealth-funded-emergency-relief-program.pdf \(dss.gov.au\)](https://www.dss.gov.au/emergency-relief-australia-review-commonwealth-funded-emergency-relief-program.pdf).

² Ibid.





1.22 Utilising CSOs' existing databases would also prevent the over-surveying of or imposition of additional requests on service-users for data collection and evaluation purposes.

1.23 The Salvation Army currently utilises our Service and Mission Information System (SAMIS).

The Salvation Army's Service and Mission Information System (SAMIS)

SAMIS is The Salvation Army's database used to:

- Record client information,
- Produce reports for frontline staff and managers – displaying information that is useful for monitoring service delivery, and
- Extract client data to be further analysed by The Salvation Army's research and outcomes measurement team. This allows us to monitor service accessibility, client experience, outcomes, and other insights useful for organisational and sector learning, continuous improvement, and advocacy.

SAMIS meets the privacy and security requirements of various government departments and has the capability to automatically upload data to funder databases. This capability has reduced administrative burden for our frontline services, particularly in instances where a service receives funding through multiple grant agreements. For example, when receiving funding from multiple funders, services are required to manage differing data collection, reporting requirements and databases. SAMIS allows our staff to use one database, as opposed to manually inputting information across multiple databases.

By utilising a national database, The Salvation Army has been able to develop consistent and efficient data collection processes whilst meeting the diverse reporting requirements of funders. It has also allowed us to access our own quality data in a timely manner and in a format useful for monitoring, analysis, evaluation.



SAMIS & Moneycare Financial Counselling

Moneycare's ability to use a consistent data collection system, alongside The Salvation Army's ability to access its own data at a national level, has allowed our research team to conduct annual comprehensive analysis on the Moneycare client profile.

This has provided understanding of the demographics of those accessing Moneycare and allowed the conducting of subgroup analysis to see the impact of programs across different cohorts. We have also been able to understand the overall effectiveness of Moneycare, including what works well and areas for improvement, to promote best client outcomes.

These analyses have been regularly shared and discussed with the Moneycare team and have contributed to meaningful improvement in service delivery. For example:

- Every year, outcomes data from our Moneycare service measures improvement in service-users' social capital. This data has shown that whilst some service-users' saw improvement in this area, others did not. Moneycare and our research team worked together to determine possible reasons for a lack of improvement in some service-users' social capital. As a result, Moneycare staff have focussed on increasing their knowledge of and referrals to local community groups and activities linked to an increase in social capital. Moneycare has also introduced the 'social connection' budget item which signals to service-users and financial institutions that social connections are inherent to financial resilience, and require investment.
- The Kessler-6 and Personal Wellbeing Index was introduced as part of Moneycare Outcomes Measurement (MOM). SAMIS calculates scores automatically and alerts financial counsellors where community members' scores are concerningly low. It is now a fundamental element of casework, not just for mental health and community referrals, but as a tool in best practice provision. For example, a community member who is found to have a 'probable mental health issue', may require greater hands-on support and a longer period of support.
- The Kessler-6 and Personal Wellbeing index are also used to resource staff support. In the past year, The Salvation Army leadership have paid close attention to average centre and region mental health and wellbeing scores. Average scores are used as an indication of case intensity, recognition of potential emotional impacts on staff, and the potential need for greater support or intervention to promote staff wellbeing in a region.
- The MOM individual client progress report has been recently released in SAMIS and has been well received. The report compares service-user baseline and progression survey scores. This allows financial counsellors to show service-users their progress since engaging with Moneycare, and acts as a point of celebration for both clients and staff. Staff have also reported that this report provides a source of job satisfaction.



Recommendation 3

- 1.24 **The Salvation Army recommends that the Department of Social Services empower Community Service Organisations to utilise existing government information databases by providing training on available data, its interpretation, and how it can be utilised. Training should be complemented by consultation with Community Service Organisations regarding what data is of interest, and how it can be best presented to them.**

Community Contribution to Program Design

- 1.25 The Salvation Army welcome the government's commitment to ensuring that the community sector can contribute to the design of frontline programs.³ We believe that developing services according to the feedback of community service providers, service-users, and those not accessing services, promotes person-centred practices and recognises the expertise of those on the frontline, and those with a lived-experience.

Engaging Community Services

- 1.26 Critical to the engagement of community services in program design is understanding government's long-term priorities and goals for the sector. Our services report that a lack of transparency in relation to the strategic priorities of government hinders CSO's ability to engage in program design.
- 1.27 In addition, we suggest that government intentionally seek input and consult with services who have experience in the sector. We believe that acknowledging the expertise that already exists in the sector and intentionally consulting with frontline CSOs would ensure program design considers long-term sector understanding and knowledge, and avoids the risk of 're-inventing the wheel.'
- 1.28 Ensuring that the community sector have an opportunity to contribute to program co-design will impose a burden in some form. We suggest that acknowledging the burden of additional tasks and clearly articulating what is required of organisations is critical to their engagement in the co-design process. In our experience, imposing additional tasks on organisations above and beyond what is included in funding contracts also hinders engagement in co-design. Additional funding to participate in co-design processes would improve engagement and reduce the risk of drawing resources away from frontline service-delivery.

³ Department of Social Services. (2023). *A Stronger, More Diverse, and Inclusive Community Sector*. <https://engage.dss.gov.au/a-stronger-more-diverse-and-independent-community-sector/a-stronger-more-diverse-and-independent-community-sector-issues-paper/>.





Amplifying the Voices of Lived-Experience

- 1.29 In our experience, recognising and amplifying the expertise of those with a lived experience in program design enhances quality of service provision and promotes positive outcomes for service-users.
- 1.30 It is necessary for governments to proactively seek effective ways to partner with, and seek advice from, both service-users, and those who have a lived experience of disadvantage who have not accessed frontline services.
- 1.31 Partnering and collaborating with individuals with a lived experience can only be done when the systems of involvement are trauma-informed, culturally informed, safe, and sensitive to individual experiences. We believe that part of this, is acknowledging digital poverty and literacy challenges that exist within local communities.

Recommendation 4

- 1.32 **The Salvation Army recommends that the Department of Social Services increase community service engagement in program design by:**
- **Clearly articulating how program funding links to strategic priorities of government across the sector,**
 - **Consulting the sector, and**
 - **Acknowledging the additional responsibilities and clearly articulating expectations when engaging organisations in co-design processes.**

Recommendation 5

- 1.33 **The Salvation Army recommends that the Department of Social Services proactively seek effective ways to amplify the voices of those with a lived experience in program design. This should include ensuring that all processes are culturally appropriate, and trauma-informed.**

2 Providing Grants that Reflect the Real Cost of Delivering Quality Services

Adequate and Flexible Funding

- 2.1 The Salvation Army acknowledges the governments' efforts to bolster funding to CSOs in the face of increasing demand and the rising costs related to delivering high-quality services.⁴ We believe increased funding is required to ensure high-quality, meaningful service delivery in the long term. It is critical that funding is sufficient to prevent those accessing services falling into more permanent situations of vulnerability or disadvantage.
- 2.2 The Salvation Army advocates for enhanced funding flexibility to empower services to develop innovative and localised approaches to service delivery, which we believe produce better outcomes for service-users.
- 2.3 For example, our Moneycare services received funding through DSS to deliver financial counselling in areas impacted by the Black Summer bushfires in 2019-20. Following delivery of these services, Moneycare had unspent funds in both New South Wales and Queensland. Our services worked alongside DSS, and were able to redirect the unspent funds to:
 - Develop and deliver a financial preparedness program to assist people to financially navigate natural disasters, and
 - Provide administrative casework support to the Salvos Loans program for people experiencing Family and Domestic Violence in bushfire impacted areas.
- 2.4 We believe this is a great example of an effective partnership approach to service funding between our Moneycare services and DSS, which ultimately met the needs of local communities and service-users.
- 2.5 Whilst effective, applying to use grant funding in a different capacity or region can be a lengthy process and cause significant administrative burden for CSOs.
- 2.6 We believe that a key mechanism to achieving funding flexibility is to build surge capacity into DSS grants, allowing community services to respond to need as it may evolve over the funding cycle. The ability to apply and be approved for surge funding in a timely manner would allow for organic service responses through the efficient deployment of resources to areas of high need.

⁴ Department of Social Services. (2023). *A Stronger, More Diverse, and Inclusive Community Sector*. <https://engage.dss.gov.au/a-stronger-more-diverse-and-independent-community-sector/a-stronger-more-diverse-and-independent-community-sector-issues-paper/>.



Salvos Domestic Violence Loan Program

The Salvos Domestic Violence Loan Program allows victim-survivors of family and domestic violence to borrow up to \$5,000 for essential products and services to support their finding of a safe and suitable environment for themselves and their children. The loans are interest and fee free and can be repaid up to three years to ensure affordability. The program also incorporates financial education and our Positive Lifestyle Program.

- 2.7 There is also a need for funding to be available to CSOs when a need is identified, as opposed to waiting for DSS to identify needs within communities or waiting for funding rounds to begin.
- 2.8 For example, The Salvation Army currently provides emergency relief services in Karratha in Western Australia. We have identified a need to expand these services and supports into remote communities further north and west of Karratha. Currently, we would be required to reach these communities within our current funding envelope, drawing resources away from the need in Karratha. This would hinder our ability to expand and provide high-quality services across the regions.
- 2.9 The Salvation Army believes it critical that funding arrangements are an ongoing discussion between government and CSOs.

Recommendation 6

- 2.10 **The Salvation Army recommends that the Department of Social Services build surge capacity into funding to allow Community Service Organisations to respond to emerging needs.**

Considering Administrative and Overhead Costs

- 2.11 The Salvation Army advocates for greater funding to cover the rising costs of administration and overhead expenses to ensure funding from grants can primarily be used to deliver high-quality, evidence-based services to those experiencing disadvantage.
- 2.12 The service delivery charge (SDC) has in the past traditionally covered the administrative and overhead costs of our programs. In our experience, this is changing, with CSOs becoming increasingly responsible to meet certain requirements as outlined in funding contracts without additional funding outside of the management fee. Inadequate funding to cover these costs leads to funding being redirected from frontline service delivery. Because of this, we are limited in our ability to meet increased demand within our services, ultimately limiting our impact in supporting people experiencing disadvantage in Australia.





2.13 For example, our services have outlined the following contractual requirements which are not clearly or consistently being considered in current grant funding:

- Ensuring responses are environmentally sustainable,
- Completion of data collection, research, outcomes measurement, and evaluation practices,
- Committing to professional development and quality improvement practices,
- Establishment of a reconciliation action plan,
- Meeting the needs and providing access to services for a range of target groups and service-users. For example, ensuring adequate translation materials and services for clients where English is not their first language,
- Ensuring certain compliances related to safeguarding and work, health and safety requirements, and
- Ensuring security of personal data. This includes costs to assist in the securing of confidential client information such as improving encryption and costs of upgrading servers to allow for advanced technology.

2.14 In our experience, funding agreements are 'silent' on what overhead and administrative costs are included in the SDC. This causes inconsistent application of the SDC due to a lack of clarity in base contracts.

Recommendation 7

2.15 The Salvation Army recommends that the Department of Social Services increase grant funding to ensure administrative and overhead expenses are appropriately resourced to ensure that the majority of grant funding is used to meet the needs of service-users.

Recommendation 8

2.16 The Salvation Army recommends that the Department of Social Services ensures grant agreements provide clarity around what overhead and administrative costs service delivery charges should be utilised for.

Impact of Rising Operational Costs on Service Delivery

2.17 The Salvation Army remains concerned about the implications of the rising costs of living upon service delivery. Without corresponding increases to grants funding, the needs of those experiencing disadvantage in local communities will go unmet.



- 2.18 According to research conducted by The Salvation Army, the rising cost of living is now the leading reason why people present to our emergency relief services. Approximately one third of people accessing our emergency relief identified it as the reason they need help.⁵ In the past 12 months, nine in ten (93 per cent) respondents found it difficult to meet necessary living expenses such as housing, electricity, food, clothing and transport.⁶
- 2.19 Our services report that increased operational costs are noticeable in the costs of regular expenses such as electricity and service grocery bills. Our services also report facing major challenges around the ability to cover wages and staffing costs. This is exacerbated in rural and remote areas, and significantly hinders our ability to maintain a highly skilled workforce.
- 2.20 From the perspective of our emergency relief providers, often staffing components are not included in grant funding, resulting in wages needing to be raised through public funds. The Salvation Army contribute approximately \$1 for every \$1 of funding provided by DSS in this context. This is not sustainable.
- 2.21 Funding received from government grants is no longer sufficient. It is now necessary for many providers to redirect funds from frontline service delivery to cover the rising operational costs. In our experience, this hinders CSOs' ability to meet service demand in local areas across Australia and reduces ability to respond to increasing numbers and complexity of cases.
- 2.22 It is critical that the government ensure grant funding reflects rising operational costs. This necessary to ensure high-quality service delivery which meets the needs of those experiencing disadvantage in the community.

Recommendation 9

- 2.23 The Salvation Army recommends that the Department of Social Services ensure that grant funding is sufficient to cover rising operational costs across the sector.**

Supplementation Payments and Changes to Indexation

Making Supplementation Predictable and Sustainable

- 2.24 The Salvation Army has found supplementation payments beneficial, and we welcome the continuation of supplementation payments following the end of the Equal Remuneration Order (ERO). We do however maintain concern regarding supplementation predictability and sustainability.

⁵ The Salvation Army. (2023). *At Breaking Point: The Red Shield Report*.

[https://www.salvationarmy.org.au/subscribe/sites/avesalvos/files/RSA2023/RSA23_RSA_Research_Report_At_breaking_point_FINAL_\(1\).pdf](https://www.salvationarmy.org.au/subscribe/sites/avesalvos/files/RSA2023/RSA23_RSA_Research_Report_At_breaking_point_FINAL_(1).pdf)

⁶ Ibid.





- 2.25 The ERO provided clear explanations of yearly wage increases, and how DSS funding would increase accordingly. Since the end of the ERO, we highlight that there has been little clarity around how DSS calculates and provides supplementation payments. This complicates CSOs' ability to plan and budget effectively for future service delivery due to limited transparency and certainty around funding increases.
- 2.26 We draw attention to the issue of late payments, which in our experience have led to further spending pressures and complications which have resulted in the need for corrective budget actions. For example, reducing a team member's contracted hours, only to later receive a late lump sum payment.
- 2.27 Continual supplementation is not sustainable. Supplementation is 'above and beyond' base contract funding and is paid as a lump sum, which makes future planning and budgeting for service delivery complex. It is critical that base funding is adequate to deliver a whole-of-service response, and that service responses are not reliant on supplementation. To achieve this, supplementation should be included in base funding levels at time of grant renewal.

Transparent Indexation

- 2.28 The exact changes to indexation have, at times, been unclear and unhelpful. In our view this could be improved through the provision of a breakdown of elements and changes associated with supplementation and indexation, alongside improved transparency on how these have been calculated.
- 2.29 Despite recent changes to indexation calculation, there has still been a significant shortfall in additional funding when compared solely to the Consumer Price Index (CPI). In 2023-2024, indexation saw an additional 2.2 per cent. This is significantly less than the 6 per cent rise in the CPI for the same period.
- 2.30 In our experience indexation does not reflect cost of living, and CSOs are still often required to pay a service gap.

Recommendation 10

2.31 **The Salvation Army recommends that the Department of Social Services build supplementation into base funding at time of grant renewals.**

Recommendation 11

2.32 **The Salvation Army recommends that the Department of Social Services review funding processes to ensure supplementation payments are received by Community Service Organisations in a timely and efficient manner.**



Recommendation 12

2.33 The Salvation Army recommends that the Department of Social Services work to provide timely and transparent information regarding indexation and supplementation changes. This should include a breakdown of changes, and how these are calculated.

Equitable and Responsive Funding Distribution

- 2.34 An understanding of community needs and assets is inherent to ensuring that funding distribution is equitable and responsive. We highlight needs and assets mapping as a key role of government who have access to the required resources.
- 2.35 The ability of CSOs to contribute meaningfully to the conversation regarding funding distribution is limited by their lack of access to the data, resources, and funding required to determine greater community needs. For example, The Salvation Army only has access to data from our services and agencies, with no view over other agencies aggregate data. Ability to view other data provides insight into the supply and demand of particular service types within certain areas, profiles of who is accessing the services in an area, and information on the collective distribution and accessibility of particular service types. All of this data is required to understand service responsiveness, accessibility and equitability.
- 2.36 In comparison, government has access to and may pull data from all services across the sector. This data can showcase the number of funded providers, amount of funds provided, service gaps, and demographics accessing services.
- 2.37 It is critical however that CSOs are consulted in determining where funds are most needed. In our experience, opportunities for this collaboration in funding distribution are limited. By engaging CSOs, we believe that funding allocation can better reflect, and respond to, current service needs and contexts.
- 2.38 For example, emergency relief funding at time of tender in 2015 was tied to SA4 areas. Over a period of seven years, this requirement has been removed and CSOs have been given the flexibility to move funding within contracts as needed. We welcome this adjustment and urge the importance of this continuing funding agreements going forward. Whilst this outcome was a request of CSOs in the emergency relief sector, this change took significant time to be implemented, and in the interim communities were without needed resources.

Recommendation 13

- 2.39 The Salvation Army recommends that the Department of Social Services implement mechanisms to better engage with Community Service Organisations regarding funding distribution to ensure it is equitable and responsive to community need.**

Streamlining Reporting Requirements

2.40 The Salvation Army believes that streamlining reporting requirements can play a key role in reducing the administrative burden on CSOs and enable them to focus on delivering high-quality services. We propose the following reforms for consideration.

Clearly Articulating Reporting Requirements in Funding Grants

- 2.41 In our experience, reporting requirements are neither consistently, nor clearly articulated within grant contracts, and are often introduced as guidelines following CSOs' acceptance of a tender. There is also a lack of clarity and transparency regarding what data is collected and how it is utilised. This has only contributed to increased administrative burdens and incidences of parallel reporting.
- 2.42 For example, our Doorways services are currently required to complete regular reporting – daily and weekly – in the DEX system. In addition to this reporting, FAMS are approaching our Doorways state managers and requesting monthly reporting through an additional template. We believe this is an unnecessary burden and recommend DSS clearly articulate one single method of data collection.
- 2.43 Not having clearly articulated reporting requirements prior to entering a contract means that CSOs are also unaware as to whether they have the system capability to collect the data required. This can result in the need for sudden and costly system upgrades to manage data collection. These concerns are only exacerbated when receiving funding from multiple sources.
- 2.44 In addition to reviewing the data to be collected and using existing databases of CSOs as outlined in [section 1](#), grant contracts must clearly articulate expectations around reporting requirements, and how this data will be utilised by DSS.

Fixed Change Timeframes

- 2.45 Changes to reporting requirements occur inconsistently. This only contributes to administrative burden, particularly when applied across multiple grants. In our experience, CSOs are required to adjust data collection and ensure staff are appropriately informed and trained to meet new requirements with little notice. This draws critical resources away from frontline service delivery, and inhibits The Salvation Army's ability to compare and collate data over longer periods, and isolate trends.



- 2.46 We suggest that this could be resolved by implementing fixed timeframes for when data requirements may be adjusted.
- 2.47 For example, data collection could be expected to change, at most, every six months, with a period from notification for implementing these changes. These timeframes would allow CSOs to predict and prepare for any changes in reporting requirements. If implemented, these fixed timeframes should be offset to funding changes – avoiding the end of financial year where CSO's have competing priorities.
- 2.48 Our services have also noticed a trend that when changes are made to reporting requirements, additional data collection is the most common adjustment. The scope of required reporting as a result is growing significantly, and CSOs cannot continue on this trajectory.
- 2.49 We suggest that any requests for additional data collection should be accompanied by a review of current data being collected, and the removal of any data that is no longer utilised or relevant to improving service delivery outcomes.

Recommendation 14

- 2.50 **The Salvation Army recommends that the Department of Social Services streamline reporting requirements for Community Service Organisations by clearly articulating reporting requirements within grant contracts and introducing fixed change timeframes.**

3 Providing Longer Grant Agreement Terms

Increased Length of Grant Agreements

- 3.1 The restrictive nature of short-term funding contracts hinders services' ability to implement initiatives that meet the needs of local communities. This in turn impacts service quality and outcomes for service-users. The Salvation Army believes that grant agreements should have a minimum length of five years, with options for renewal based on performance and outcomes.
- 3.2 Longer-term funding certainty, alongside flexible funding criteria, would allow our services to better plan, respond, develop, and implement localised initiatives to support service-users. We believe longer-term funding arrangements also acknowledge and empower CSOs as experts within their local communities.
- 3.3 The Salvation Army acknowledges and has experienced the risks associated with longer-term grant agreements, including providers being locked out of the service market for longer periods of time, and hindered opportunities to respond to emerging community needs.⁷
- 3.4 The Salvation Army has additionally experienced the impacts of organisations being locked-out of the service market in the context of sub-contracting arrangements. There are instances where The Salvation Army is sub-contracting services to CSOs who have been locked-out of grant contracts. In these circumstances, the government has identified service gaps in communities where our services are not practicing, and have raised variations on The Salvation Army's contracts to allow us to pass service delivery to other CSOs. The contract remains with The Salvation Army, though we manage the services and risk of service delivery through other CSOs.
- 3.5 To combat these risks, we suggest that government introduce minimum five-year grant agreements with rolling program funding. That is, grant agreements are rolled out yearly, so services are not entering contracts all at the same time. This would ensure that CSOs are not locked out of the market for significant periods, and the sector remains able to respond to new community developments. We also believe that this would remove the need to require existing CSOs to sub-contract and manage others.

Recommendation 15

- 3.6 **The Salvation Army recommends that the Department of Social Services work to increase grant agreements to a minimum of five years to ensure certainty and stability of ongoing service delivery. Grant agreements and funding should be rolling, preventing significant market lockouts.**

⁷ Ibid.



Improving Variation and Extension Processes

Variation and Extension Timeframes

- 3.7 Short notice periods for variations in grants negatively impact our services' ability to forward plan and manage resources.⁸ This hinders the amount of financial resources that can be provided to the frontline and can be disruptive for service delivery.
- 3.8 In our experience, we currently receive inconsistent notice of funding variations or extensions. This can cause disruption not only for CSOs, but for service-users. For example, in the last round of variations, our emergency relief services received extensions of one month, six months, and then 12 months. Without clear timeframes regarding security of funding, our services experienced challenges in allocating funding and planning for service delivery changes.
- 3.9 There are a significant number of tasks that need to be completed prior to the commencement of a variation or extension, including managing staffing arrangements, budgeting, and service planning. In instances where a contract may be ceasing, services require sufficient time to end client intake, begin closing the service, provide a warm handover to other services, and manage employment transitions including the paying out of redundancies.
- 3.10 We highlight the need for a consistent variation process where final variation, extension, or change to contract outcomes are clearly articulated to CSOs six months prior to any changes being implemented.

Improving the Variation Process

- 3.11 The Salvation Army believe that the variation process can be improved by ensuring clear and transparent grant agreement criteria, and further explanation of value-for-money outcomes.
- 3.12 In our experience, demonstrating alignment with the grant agreement is significantly more straightforward than showcasing value-for-money outcomes, particularly when considering service-users experiences vary in complexity.
- 3.13 According to our services, working with service-users with complex needs requires a greater number of resources and greater support periods, and therefore limits the number of clients a service can manage at any given time. We maintain concern that an emphasis on value-for-money outcomes without clear data or reporting expectations could lead to services focussing on meeting client quotas and leave service-users experiencing complex situations not receiving appropriate or sufficient supports. This poses the question of quality versus quantity and can either promote, or hinder, best outcomes for service-users, and may impact the ability of CSOs' to respond to persistent social issues.

⁸ Department of Social Services. (2023). *A Stronger, More Diverse, and Inclusive Community Sector*. <https://engage.dss.gov.au/a-stronger-more-diverse-and-independent-community-sector/a-stronger-more-diverse-and-independent-community-sector-issues-paper/>.



3.14 We urge DSS to provide further clarity and explanation of value-for-money outcomes including how they are defined and measured within grant agreements.

Recommendation 16

3.15 The Salvation Army recommends that the Department of Social Services provide final variation, extension or contract change outcomes at minimum six months prior to any changes being implemented.

Recommendation 17

3.16 The Salvation Army recommends that the Department of Social Services provide clarity and explanation of value-for-money outcomes within grant agreements. This should include how these outcomes are defined and measured.

4 Ensuring Grant Funding Flows to a Greater Diversity of Community Service Organisations

Ensuring Funding Opportunities for both Emerging and Established Organisations

- 4.1 The Salvation Army acknowledges the need for equitable access to grant funding, particularly for smaller organisations.⁹
- 4.2 Our experience working on the service frontline has led us to believe that funding new and emerging CSOs needs to be balanced with organisations that have ongoing experience in the funded area.
- 4.3 A balance of both new and established CSOs and services assures that sector knowledge is not lost, that effective and high-quality service provision is maintained, peak bodies remain operational, and that ineffective initiatives are not repeated.

Recommendation 18

- 4.4 **The Salvation Army recommends that the Department of Social Services, in provision of funding to new or emerging organisations, ensure sector knowledge and experience is preserved by maintaining a balance of new and established Community Service Organisations.**

CSOs Supporting One Another

- 4.5 The Salvation Army believes there is value in CSOs supporting one another, particularly to build sector knowledge and capacity to provide high-quality services. For example, in some communities where our Doorways services do not have a physical presence, we have established partnerships with local organisations who act as contact points for resources such as vouchers.
- 4.6 Barriers to support between CSOs include a lack of time and resources, lack of established infrastructure for regular knowledge sharing, and a competitive market leading to suspicion between CSOs who regard other providers as trying to replace their role..
- 4.7 We believe that supportive partnerships between larger and smaller CSOs should be promoted through DSS funding opportunities. In our experience, these opportunities currently exist in the form of sub-contracting arrangements. We do highlight, however, that long-term funding goals and opportunities need to be considered when funding these arrangements.

⁹ Department of Social Services. (2023). *A Stronger, More Diverse, and Inclusive Community Sector*. <https://engage.dss.gov.au/a-stronger-more-diverse-and-independent-community-sector/a-stronger-more-diverse-and-independent-community-sector-issues-paper/>.



- 4.8 Whilst sub-contracting has significant benefits in supporting CSOs who may not have the same level of capacity or resources as larger CSOs, these arrangements need to be linked to long term transition plans. Plans should outline clear goals in building the capacity of smaller CSOs to take over service delivery, and allowing larger CSOs to withdraw.
- 4.9 It is critical that where DSS hopes to create new partnerships between CSOs, that this must not be included in existing funding. DSS must recognise that providing support to smaller CSOs is a significant additional task, which requires additional funding so as not to drain from existing resources and reduce service quality.
- 4.10 The Salvation Army has also found value in participating in various communities of practice (COPs) which allow the sharing of knowledge, collaboration, and partnership at local levels. We suggest COPs as effective, non-funded opportunities for support. COPs could also be implemented on an as-needed basis.

Recommendation 19

4.11 The Salvation Army recommends that the Department of Social Services ensure that when requesting larger Community Service Organisations to take on sub-contracting arrangements, that these are accompanied by transition plans to allow smaller Community Service Organisations to take over service delivery. Any arrangement for larger Community Service Organisations to provide support should be accompanied by additional funding to do so.

Recommendation 20

4.12 The Salvation Army recommends that the Department of Social Services establish an increased number of communities of practice to encourage collaboration and support across the sector. These could be established on an as-needed basis.

5 Partnering With Trusted Community Organisations With Strong Local Links

Place-Based Funding Approaches

- 5.1 Place-based approaches allow services to be responsive to local cultural, economic, and social needs, and to build on existing resources and strengths to develop local capabilities and deliver support in areas of need for greatest impact.¹⁰
- 5.2 Our experience delivering place-based services leads us to highlight the importance of co-located and integrated service responses involving various professionals and agencies. Evidence tells us that particularly families experiencing disadvantage are more likely to access co-located and integrated services.¹¹
- 5.3 The Salvation Army has seen great outcomes in adopting place-based principles through our Communities for Children (CfC) sites.

FamilyZone – Ingle Farm

The Family Zone at Ingle Farm Primary School was established in 2005, following consultations conducted by the Salisbury CfC initiative. The FamilyZone is an innovative and progressive model of engagement with families of children at risk of abuse or neglect.

The service offers integrated support facilitated by several professionals and agencies operating in a co-located space. This models a 'one-stop-shop' concept, seeking to provide a 'soft, single-point entry' to avoid stigmatisation of families who are experiencing vulnerability. Services include perinatal, mental health, family violence, and parenting supports, as well as home visiting programs, playgroups and educational opportunities.

Improved outcomes have been measured through the Australian Early Development Census following the establishment of the FamilyZone. 2006 data showed that Ingle Farm had the highest proportion of children experiencing vulnerability in one or more domains of all the suburbs within the Salisbury CfC site and the northern suburbs of Adelaide. In 2012, Ingle farm saw a reduction of approximately one third of children experiencing vulnerability in one or more domain. Additionally, FamilyZone has been measured to improve long-term educational outcomes. Children who received support between 2007 and 2010 undertook NAPLAN in 2015. In 2015 and subsequent years, Ingle Farm Primary School NAPLAN average score showed a substantial increase.

¹⁰ Moore, T.G, and Fry, R. (2011). *Place-based approaches to child and family services: A literature review*. Parkville, Victoria: Murdoch Children's Research Institute and The Royal Children's Hospital Centre for Community Child Health.

¹¹ Centre for Policy Development. (2021). *Starting Better Report*. <https://cpd.org.au/wp-content/uploads/2021/11/CPD-Starting-Better-Report.pdf>.



The FamilyZone highlights the need for children to grow up in supportive communities. It has demonstrated the ability to influence child and family outcomes and facilitate smooth transitions in the early years for the better through integrated, holistic and place-based care.¹²

Data Collection, Evaluation, and Information Sharing Considerations

5.4 The Salvation Army maintains concern that there is currently a lack of appropriate infrastructure and mechanisms for data sharing in the context of place-based approaches. Whilst supportive of the concept of place-based funding approaches, we highlight the need for:

- A clear data sharing agreement and access mechanisms. In our experience delivering place-based services, there have been occasions where The Salvation Army's research and outcomes measurement teams have been unable to access service data. This has hindered our ability to develop an effective monitoring system, and to complete outcomes measurement and evaluation processes to gain timely insights into the success and accessibility of place-based programs. We suggest that in considering place-based funding approaches, that DSS consider the need for clear data sharing arrangements to support data access and CSO contribution to evidence-based practice.
- Enhanced privacy policies and consent processes. In our experience, service-users are becoming increasingly concerned regarding privacy and how their personal data is stored, used, and shared. Within integrated services, clear privacy and consent processes become critical when sharing information across various organisations. Service-user consent needs to be considered as a priority, and we believe, should be collected at the frontline on initial service access. Consent documentation should clearly outline what data will be collected, shared, and reported; and which organisations may have access to data. We suggest a review of privacy and consent processes in the context of place-based funding and integrated service models. This review should also include how place-based approaches should be evaluated. This should be completed by an expert in the field to ensure developed mechanisms are evidence-based and demonstrate rigorous ethical understanding.

Recommendation 21

5.5 The Salvation Army recommends that the Department of Social Services implement robust information sharing and privacy policies in place-based funding approaches.

¹² Nova Smart Solutions. (2019). *The Family Centre Approach to Early Intervention and Prevention*. https://www.salisburyc4c.org.au/_files/ugd/8930ed_cd564efd88c24daf8bfa83287d348277.pdf.





Ensuring Grant Funding Reaches Trusted Community Organisations

5.6 The Salvation Army acknowledges and welcomes the commitment of government to better partner with organisations with strong local links.¹³ It is important that grant application processes are accessible to all CSOs regardless of size.

The Impact of Shared Accountability on Service Delivery

5.7 The Salvation Army believes that shared accountability could be an effective mechanism to strengthen service delivery. We caution however, that there is significant complexity in shared accountability between CSOs and government. CSOs and government each have differing agendas and hopes for outcomes.

5.8 It is critical that if government hope to develop shared accountability frameworks, that these be developed in collaboration with CSOs and reflect the needs of local communities. Community needs must define success.

5.9 Shared accountability expectations and frameworks should also be clearly articulated and outlined prior to contract acceptance and need to be flexible.

5.10 If done well, shared accountability frameworks have the potential to drive consistent high-quality outcomes and empower communities.

Recommendation 22

5.11 The Salvation Army recommends that the Department of Social Services ensure that shared accountability frameworks are developed with Community Service Organisations and reflect local community needs.

¹³ Department of Social Services. (2023). *A Stronger, More Diverse, and Inclusive Community Sector*. <https://engage.dss.gov.au/a-stronger-more-diverse-and-independent-community-sector/a-stronger-more-diverse-and-independent-community-sector-issues-paper/>.



6 General: Tendering Processes

- 6.1 The Salvation Army, in addition to topics covered throughout the issues paper, draws the government's attention to the tendering process.
- 6.2 We highlight the need for government to consider approaches to tendering, to ensure CSOs are well supported and informed. We emphasise the need for transparency in funding decisions to support CSOs to understand reasons why another organisation received funding where they themselves were unsuccessful.
- 6.3 The Salvation Army also suggest that DSS provide a service map or list of funded providers following grant rounds. This would facilitate improved communication and collaboration between CSOs. For example, this would allow emergency relief providers to work together to apply funding flexibly to meet identified community need.

Recommendation 23

- 6.4 **The Salvation Army recommends that the Department of Social Services ensure that future tender opportunities include mechanisms to ensure Community Service Organisations are well supported and informed of decisions for or against funding. Successful tenders should be accompanied by a list of other funded Community Service Organisations in the sector to promote best community outcomes.**

7 Conclusion

- 7.1 The Salvation Army thanks the Department of Social Services for the opportunity to provide a written submission the inquiry.
- 7.2 The Salvation Army would welcome the opportunity to discuss the content of this submission should any further information be of assistance. Further information can be sought from government.relations@salvationarmy.org.au.

The Salvation Army Australia Territory

November 2023





Appendix A About The Salvation Army

The Salvation Army is an international Christian movement with a presence in more than 130 countries. Operating in Australia since 1880, The Salvation Army is one of the largest providers of social services and programs for people experiencing hardship, injustice and social exclusion.

The Salvation Army Australia provides more than 1,000 social programs and activities through networks of social support services, community centres and churches across the country.

Programs include:

- Financial counselling, financial literacy and microfinance
- Emergency relief and related services
- Homelessness services
- Youth services
- Family and domestic violence services
- Alcohol, drugs and other addictions
- Chaplaincy
- Emergency and disaster response
- Aged care
- Employment services

As a mission-driven organisation, The Salvation Army seeks to reduce social disadvantage and create a fair and harmonious society through holistic and person-centred approaches that reflect our mission to share the love of Jesus by:

- Caring for people
- Creating faith pathways
- Building healthy communities
- Working for justice

We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity and equity.

Further information about The Salvation Army can be accessed at: <
<https://www.salvationarmy.org.au/>>

