

Organisation name

Relationships Australia

Email

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1.1 What would a partnership between CSOs and the government that achieves outcomes for Australians being supported by the community sector look like?

Relationships Australia has the privilege of being a member of the Community Services Advisory Group and has participated in the workshop on this consultation on 17 October 2023.

We support the discussions that took place on that day, and further suggest that CSAG provides a working example of a practical, respectful partnership between the Sector and Government.

However, for a partnership to truly deliver outcomes for community, there need to be clearly articulated principles of engagement and clear understanding of the terms on which the partnership will operate.

We consider critical elements to such a partnership as requiring:

- clarity and agreement regarding the needs to be addressed, the outcomes sought, and what will be needed to achieve that;

- trust between partners to focus on their own areas of expertise within those parameters;

- consultation and collaboration that is truly meaningful (and resourced appropriately);

- a commitment to workforce development;

- reporting, data and evaluation that reflects a true partnership approach;

- connection to community; and

- a focus on continuous improvement.

We consider that CSAG remains a viable and useful avenue for ongoing dialogue, but collaboration must be more robust and aimed at deeper understanding/activities.

1.2 How can CSOs and government streamline the sharing of information, particularly through utilising technology to effectively engage, distribute, share, influence and inform in a timely and efficient manner?

We welcome efforts of successive governments to reduce red tape in the sector, and were early participants in the DSS DEX scheme. We note the intention behind DEX that it reflect a "partnership" approach, however we remain concerned that it has not achieved that aim.

Service providers across the community sector are incredibly busy - experiencing high demand and needing to prioritise supporting those in need. As a result, additional administrative and reporting requirements can place disproportionate burden on providers. While we, and other members of the sector, remain committed to timely, practical and useful reporting (and see its enormous value both in terms of accountability but also, and most importantly, measuring what works for community), we are concerned that DEX has failed to deliver meaningful insights in a way that can contribute to the improvement of services. This is a missed opportunity, and results in significant reporting burden with little benefit to the sector at large, or the people we serve.

We strongly urge government to re-evaluate the use and usefulness of DEX and, working with the sector, revise its operations.

This work is critical, and should be conducted with a view to rationalising data collection to focus on impact and outcomes.

The sector is committed to robust data collection, but needs support (in terms of both resourcing and training) to implement systems and ensure data collection is embedded in the culture of service providers).

1.3 How can government ensure the community sector, including service users, and those not able to access services, have an opportunity to contribute to program design without imposing significant burdens?

Service providers report having largely positive and effective relationships with their FAMs, and FAMs provide a critical link between the "on ground" services and the national policy decision makers. However, we feel that FAMs would benefit from having greater agency and flexibility to work with service providers to ensure delivery meets the needs of the communities in which they are embedded. This is a practical way to influence program design - allowing high level outcomes to be achieved, but providing for place-based variation.

Additionally, the sector, and the people it serves, are notoriously under-resourced and time poor. A focus on program design must be resourced, with clear intended outcomes, and must invite contributions in a flexible manner (allowing time for community consultation, etc).

We consider that the Department holds a lot of valuable information from DEX and other sources which gives a rich database that could be shared more openly with the sector, including both providers and peaks, to lead to higher understanding and continuous improvement. This, in turn, should be a driving

force behind program design, allowing an accurate picture of community need to inform both the intended outcomes and service delivery models.

2.1 What would adequate and flexible funding look like?

Adequate funding should, by all accounts, reflect the value and contribution of the services being provided, and be measured on a "return on investment" model, as opposed to simply focusing on cost. This would enable a greater flexibility in how funds are allocated and, ultimately, put to use.

A commitment to adequately funding the community sector requires a concerted effort to "grow the pie" based on the needs of the community, and an appreciation of what is required to address that need. To achieve this, we recommend government work with the sector to develop an evidence base around community need, mapping demand and predicting trends. This work, in conjunction with a greater understanding of the true cost of service delivery will ensure adequate funding.

At the same time, funding arrangements must be flexible to allow services to respond to changing conditions (including increasing costs between review points of grants).

Furthermore, funding agreements could provide greater flexibility with respect to how funds are utilised, with better recognition of the variation in need among different locations (for instance, disadvantages faced by those working in rural and remote areas include higher travel times, fewer referral agencies, etc).

Funding should also provide for investment in co-design and incorporating the voices (and work) of people with lived experience.

2.2 What administrative and overhead costs are not being considered in current grant funding?

We consider that the feedback provided during the CSAG consultation on 17 October provided a range of insights into costs that are often overlooked.

Some of the suggestions included:

- capital costs (particularly at the implementation phase, but also throughout the life of the grant)
- variation in expenses depending on location (ie, inner city vs regional)
- workforce development
- outreach and community engagement costs

We consider that in addition to these costs, the sector needs support from government to improve funding and work conditions for employees. In an increasingly competitive labour market, providers are required to compete with private and, perhaps most tellingly, public service, and must provide a greater focus on worker wellbeing and professional development as well as the usual pay and conditions.

Funding must also appreciate the additional (and rising) costs associated with working in the digital world - including privacy, cyber security, etc. Some of our Members have reported that as they have migrated to the cloud, this has led to increased licensing costs, cyber security mechanisms, etc.

2.3 How are rising operational costs impacting the delivery of community services?

It is a very real challenge facing service providers that as costs increase, their capacity to hire and retain professional, skilled staff is impacted. Fewer staff means that they are either overworked or are unable to see as many clients, leading to increasing wait lists and lengthy delays.

This, combined with increasing demand generally, is unsustainable.

2.4 What have been your experiences with and reflections on the supplementation and change to indexation?

We strongly welcome the government's commitment to the sector, as evidenced by the changes to indexation and introduction of supplementation in recent Budgets. However, we join other members of the sector in urging government to break down the mysticism surrounding indexation.

Despite the early announcements of additional funding, service providers are forced to wait interminable periods before contract variations are issued, and this often occurs well after the relevant financial year has begun. This has significant implications for budgeting and can lead to governance risk where providers are forced to "carry a deficit" in the hope that future variations will improve their financial situation. Additionally, when funds are dispersed too late in the financial year, this can make it difficult for providers to utilise them fully, enlivening 'under spend procedures' which can be taxing, stressful and unhelpful.

We consider that indexation should be published as a "known quantity" well before the commencement of each financial year, and priority should be given to dispersing those funds as soon as possible.

We support the discussion that took place at CSAG's 17 October workshop on development of an independent formula to apply across all indexation. This formula should include all costs (and without any deductions for 'efficiency') and would benefit from a more sophisticated appreciation of the different increases affecting different elements of doing business.

2.5 How can CSOs and the department work together to determine where funds are needed most to ensure equitable and responsive distribution of funds?

Relationships Australia notes that a capacity to 're-invest' funds in innovation, and a flexibility around use of funds to match community need would be a significant development enabling the sector to deliver services how, and where, they are most needed.

Feedback also reveals that management of underspend requests has a significant impact on providers who are faced with lengthy delays and, often, late approvals that render their implementation within the relevant timeframes utterly unworkable. For instance, when an underspend request is approved in May, for funds to be used by 30 June, this is simply untenable in the current commercial environment.

2.6 How can government streamline reporting requirements, including across multiple grants, to reduce administrative burden on CSOs?

See discussion in 1.2.

3.1 What length grants are CSOs seeking to provide certainty and stability for ongoing service delivery?

The premise of this question requires government to understand that entrenched disadvantage requires generational change; and that community services need the time (as well as the resources) to build trust and establish relationships within communities in order to be effective. This can be significantly undermined by short-term funding and "fly in fly out" services. Relationships Australia sees this acutely in communities where intergenerational trauma, neglect, and other disadvantage is common.

We support the view of other members of the sector, that five years should operate as the minimum length of grant agreements; and that longer grants should be considered where there is a requirement for community development and/or responses to long-standing and entrenched issues.

3.2 What timeframes should the government aim for, at a minimum, to provide final outcomes on grant variations/extensions before the current grant ceases?

Relationships Australia appreciates the complexities of grant management, and the processes in place within government to ensure accountability. However, we impress upon government the critical risk that delays in finalising grant agreements, variations and extensions can have on services across the sector. Timely notifications and appropriate lead times are required both at the commencement and completion of grants to ensure smooth transition and to allow for proper business planning. Staffing, infrastructure and relationships all require time and commitment, and this is undermined when uncertainty exists.

Furthermore, organisations face very real governance risks if they are required to enter into commitments (such as employment and leasing) without secure agreements.

At the end of a grant, and where there is likely to be an extension, this becomes even more crucial. Staff, like everyone, need security of employment and where funding agreements are left until the eleventh hour (or even later), it is entirely understandable that those staff will leave to seek more secure employment. This results in a drain on the sector and a significant loss of expertise.

Government should commit to providing at least three months, but ideally six, for certainty in this area.

3.3 What funding flexibility do CSOs require to enable service delivery and innovation?

Longer agreements require built-in flexibility of funding. We have canvassed some areas for flexibility above in section 2. Where funding is secured for longer periods, more consideration must be given to the impact of rising demand, increasing costs and the ability to be flexible in spending grant monies to meet the needs of community.

An additional consideration would be to build in an incentive, or 'top up', methodology to reward results and innovation and to meet increases in need.

3.4 What flexibility is required by CSOs in acquittal processes to support and encourage sector innovation?

Longer agreements will benefit from clear review points, with articulated measurables and agreed accountability mechanisms. This will ensure accountability for the outcomes desired, while allowing the services to determine the best way to achieve those.

A robust outcomes framework, co-designed with the sector and the community, should become the measurement tool for all funded programs.

3.5 How can government improve the variation process, with consideration that CSOs must demonstrate alignment with the grant agreement and provide evidence of value for money outcomes?

See above.

4.1 How can the government ensure opportunities are available for new and emerging organisations to access funding?

Relationships Australia is a firm believer in the need to create choice within service systems. Rather than seeing this as duplication of services, we feel that consumer choice must always be an option. This is particularly true where specialist need gives rise to opportunities for new providers. However, new providers require additional support (given the costs of establishing their services, building trust, administration, reporting, etc).

We consider that holistic and wrap-around services provide the best mechanism for supporting communities and should have a robust commitment to collaboration and support for smaller, specialist providers, where that need is present.

Government's commitment to 'ensuring grant funding flows to a greater diversity of CSOs' needs to be based on the needs of the community. By prioritising the voices of clients and understanding/mapping community need, focus can then be placed on delivering services where they are most needed. However, a critical component of this is to ensure that fragmentation of services does not occur. A client should not have to travel to multiple locations, and repeat their story multiple times, just to receive the help they need. For this reason, wrap-around services, and "hubs" provide the best option to ensure a seamless service for clients.

4.3 How could larger CSOs support smaller CSOs? What are the barriers to providing this support?

We consider that collaboration will be crucial and that must be resourced adequately for all parties involved.

5.1 What is your experience with and reflections on place-based funding approaches?

In addition to the broader recommendations and observations made above, Relationships Australia notes that:

- Flexibility is the key to ensuring the success of place-based funding.
- Collaboration and consultation within communities is critical to understand what challenges face those communities and how best they should be addressed.
- Mapping of organisations, and creating avenues for data sharing and pooling of administrative functions will enable a more comprehensive focus on the delivery of "hub" type services in the locations where they are needed.

5.2 What innovative approaches could be implemented to ensure the grant funding reaches trusted community organisations with strong local links?

Communities of Practice and 'centres of excellence' can provide a good model. Ultimately, we believe the focus should be on developing hubs, as outlined above, in critical locations.

5.3 Which areas do you consider have duplicative funding or gaps you think need to be addressed, and what is the evidence?

For reasons outline above, we would caution government not to view the existence of multiple services as "duplication" but, rather, as the creation of choice for clients and communities.

6.3 What does success look like?

We refer to the considerable discussion on this question at the CSAG workshop on 17 October.

A respectful, collegiate working relationship between the sector and government is critical. To this end, we note that the collaboration that occurred during the advocacy surrounding the "ERO Funding Cliff" was a great example of a successful partnership between the sector and government.

True success, however, can only be measured when we have a shared understanding of:

- a) the community need;
- b) the impact and outcomes of services provided; and
- c) the value/ return on investment of those services.

We look forward to working further with government on these critical areas, as well as those others suggested above, in order to ensure a strong and supported community sector that is delivering the services communities need, when and where they are needed.