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A stronger, more diverse and independent community sector

Response to DSS issues paper by Benefolk Foundation

Introduction

Benefolk is the only organisation in Australia with a mission to improve the mental health and safety of the social sector workforce - leaders, team managers, staff, board members and volunteers of community organisations and social enterprises. This large group of 1.4 million staff¹ and 5 million volunteers² are critical to successful outcomes and are currently overlooked in strategy, policy, programs and funding.

The outward facing nature of the work of the community sector and external pressures such as unprecedented demand since 2020 has exacerbated some hazards such as exposure to traumatic events, job demands and aggression/violence.

For smaller organisations these growing external pressures are compounded by structural factors predominantly relating to funding cycles and limited flexible or core funding which is hindering their ability to support the mental health and wellbeing of their paid and volunteer workforce.

Benefolk views the reduction of psychosocial hazards as being intrinsically linked with the sustainability of the community sector workforce as well as the capacity for the sector to deliver supportive and impactful programs in vulnerable communities.

Its flagship project is **The Community Well**, Social Sector Wellbeing and Resilience Hub, benefolk.org/wellbeing. This is a free online content and training hub to improve worker and volunteer wellbeing and meet obligations under the Work, Health and Safety Act. It aims to reduce workplace harm and service delivery risk and enhance worker safety and resilience and social impact. Benefolk also provides free capacity and capability (c&c) resources through the Social Sector Video Library and runs a professional services consulting arm to service the sector and generate income for its mission and its own financial sustainability.

¹ Australian Charities Report 9th edition, 2021

² Volunteering Australia

Benefolk provides place based training to staff and volunteers at a local government level to prevent and overcome workplace PTSD (vicarious trauma) and burnout, for example working with traumatised clients or in disaster affected areas.

Using wellbeing indicators for the first time in this workforce, Benefolk has undertaken research³ to measure how sector workers and volunteers are faring. The results were concerning with over 40% of the 338 respondents reporting feeling stressed, anxious, frustrated, cynical, overwhelmed or exhausted often or always and 31% of leaders saying they need help to manage staff and volunteer mental health and wellbeing,

"I need coaching and support...to manage it all. I have been diagnosed with early exhaustion and burnout and simply need a break/relief for time out but financially I have to keep showing up to steer the ship through the storm."
Human Service CSO; Size <\$250,000

Importantly, 81% of respondents reported that this was a problem pre-pandemic and much could be attributed to the pre-existing constraints of "always being expected to do more with less."

Benefolk recognises the importance of and strongly supports amendments to the Work Health and Safety Act requiring employers to protect workers from psychosocial hazards. While leaders are committed to ensuring the safety and wellbeing of their team – many small to medium organisations have limited capacity and or in house expertise to respond to these needs.

Thank you for the opportunity to respond to this issues paper.

³ [RESET 2020](#) Need + Impact Research Study (Phase 2)

1. Giving the sector the voice and respect it deserves through a meaningful working partnership

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

There would be

- Efficiencies based on working with intermediaries such as ourselves who can represent many CSOs.
- Respect to CSOs through providing them with funding to support the mental health and safety of their workers and volunteers.
- Respect to the workers and volunteers that turn up to work everyday, often in insecure jobs and in exposing situations, to be protected from psychosocial hazards and trained in trauma prevention and recovery.
- Investment in technology infrastructure and centralised platforms to streamline processes between government and CSOs.
- Funding to foster collaboration between CSOs to align on strategy and 'what works.'
- Simple applications and reporting.
- Ways to bring the voice of the 81% small and medium organisations⁴ into decisions and to provide them access to knowledge and resources.

There would also be a priority not only on Australians being supported by the community sector (the main way we conceive 'beneficiaries') but also on community sector workers and volunteers **as a beneficiary group in their own right**. This would mean they are visible and resourced in policy, strategy and programs. Research⁵ has shown that many workers and volunteers are struggling with mental ill health and that many leaders are not resourced to minimise psychosocial hazards or psychological harm.

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?

A central policy, programs and outcomes reporting Hub or platform including what government is doing (policies, budget commitments, programs, eligibility and grants), as well as, on the CSO side, a central place to submit applications, record program

⁴ Australian Charities Report 9th edition, 2021

⁵ [RESET 2020](#) Need + Impact Research Study (Phase 2)

delivery, milestones, reports and outcomes, similar to SmartyGrants. The longer plan could be that all government would be centralised here and philanthropic organisations would be invited to add their data in, just like they do for [Foundation Maps Australia](#).

The platform itself will be a gamechanger, and there would also be the possibility of visualising progress on issue areas or target audiences similar to Candid's [Foundation Landscapes](#) (USA).

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?

Through a CSAG membership review (as mentioned in your paper). There could be round tables or town halls that bring many organisations in and then new structures with committees / sub committees for taking forward recommendations for different issue areas (housing, DV, child protection etc), with representation across the states and regions and to reflect need, diversity, issue and beneficiary type. Part of their responsibility would be to consult and work with a broad representation of organisations in their issue areas, and in places. Some time would be needed to develop the structure but this would be well worth the effort. And shorter term initiatives could be commenced while this is being built out.

This way CSOs could contribute to program design and also align their strategies and activities to provide government with a wholistic approach to address the issue at hand.

These would need to reflect the complexity of the issue, as there are 'wicked' issues that intersect with other sectors that require more time to map and align responses to. For wicked issues longer timeframes of approximately 10 years are often required to see lasting change with funding on achieving certain milestones or outcomes .

Shorter time frames could be developed for coordinating less complex service delivery needs. Government could also consider 'place based' approaches, modelled on examples with impressive outcomes such as Just Reinvest NSW.

Coordinated approaches take more time and require funding not just for implementing activities but also for meetings / coordination time. Yet coordinated approaches would deliver government better outcomes, less duplication and has been proven by a 'collaborative Impact and place based approaches' to be a proven way to achieve population level change. Communities of practice are a lighter way to

achieve mutual learning, resource sharing and collaboration but may lack the structure and rigour to deliver tangible or durable change.

Significant burden on CSOs could be reduced by government funding consultation time. This would enable CSOs to resource roles adequately and pay CSO workers to attend coordination meetings.

2. Providing grants that reflect the real cost of delivering quality services

2.1 What would adequate and flexible funding look like?

Considering the community sector workforce and volunteers as beneficiaries who are valued and funded to maintain their wellbeing and safety.

Adequate funding

- Many of the 81% small - medium sized organisations need free resources as they don't have HR support. They also need funded time to prevent harm and protect their workers and volunteers from psychosocial hazards. Their mental health and safety shouldn't be an optional "if I get around to it" add-on. Well, safe and capable organisations ultimately serve beneficiaries better, and save government the risk of what happens if services fall over.
- The Community Well platform was developed with philanthropic funding from Lord Mayor's Charitable Foundation. It provides 80+ free resources for community sector worker and volunteer wellbeing and work health and safety, obligations to protect their workers from psychosocial hazards, as well as policy, risk management, governance and leadership practices, trauma prevention and recovery.
- The resources were curated from high quality sources or newly developed by Benefolk where the resources didn't exist, such as the Wellbeing Governance Guide and Wellbeing Strategy plan on a page template. The Community Well needs further funding to keep operating and to inform CSOs about them. User feedback from the Community Well includes:

"I have searched all over the place to find recommendations on how to implement a wellbeing strategy for my organisation, including asking a lot of different agencies, researching online, contacting organisations that consult (I was given a quote for \$60k to create a strategy, entirely unaffordable for a small NGO) and I have read numerous journal articles to try and work out how to do it myself.

I need the resources as we have had two staff experience psychological injuries, and we want to prevent further injuries, as well as genuinely support our staff to thrive in the work they do. I am so relieved to find the hub and learn that I can get clear guidance and resources in an accessible and easy to digest way. Thankyou so much, this is an absolute life saver!"

- Adequate funding would enable Benefolk to keep The Community Well operating and to provide community organisations direct online support and direct face to face support in local communities / places.
- Adequate funding would be broader c&c building in a range of organisational functions such as fundraising, income diversification, evaluation, HR, accounting, mergers and acquisitions. Benefolk helped design and administered a multi provider c&c panel for Paul Ramsay Foundation grantees in early childhood development in 2022 and could share learnings with government.
- Funding could also be achieved via embedding worker support / safety funding into grant and tender contracts.
- If government is offering project funding it would include explicit allowance for indirect costs and for capacity building as 2 separate budget streams. This provisions organisations to be paid for operating and overheads unrelated to the project such as executive, accounts, fundraising, as listed in 2.2, as well as creating psychologically safe and healthy workplaces.

Flexible funding;

- There is a huge issue with organisations applying for funding 'to fit' with pre-set eligibility and not able to attend to their greatest needs; either for their organisation and its people or for their beneficiaries and services. We have found, for example, there is funding for mental health of beneficiaries / client groups but not for the workers or volunteers that support them.

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

- Executive costs such as CEO
- Accounting and finance
- Legal
- Fundraising
- Advocacy
- Strategy or internal reviews
- Partnership and stakeholder development
- Systems, procedures, policies
- Governance processes

- Communications and digital marketing costs (aside from connected to a specific project)
- Evaluation framework and theory of change work (connecting separate projects into a coherent framework)
- Professional development including leadership , staff and volunteer training. For example while we have developed The Community Well with 80 free resources and the Social Sector Video Library with over 300 videos with tips for CSOs; many are not finding the time to access them
- Volunteer design, development and management costs
- Organisational function improvements such as HR, evaluation, income diversification
- Conversations, round tables, consultation, collaboration / co-design with government, intermediaries, other CSOs, beneficiaries and community members (aside from connected to a specific project)
- Keeping up with issue or sector developments i.e. articles, reports, books

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

- Service demand is increasing hence the costs of delivering services.
- Whilst rolling disasters and the pandemic increase service demand, 81% of 338 respondents in our RESET 2020 Impact + Need Research Study (Phase 2) told us that the 'wellbeing deficit' pre-existed these issues.
- Single year funding cycles contribute to the wellbeing deficit by hampering organisations' ability to provide more than single year contracts. There can be gaps while waiting for the next contract to be won/approved resulting in insecure work, retention and turnover issues. People need secure work, as one of our trainee CSOs in Northern Rivers said
"I can't find people, keep people - who would want to work in this sector?"
- The skew that 10% charities receive 94% of the funding⁶, and 81% are small to medium in size, means most CSOs are running on the smell of an oily rag to deliver services; let alone to build capacity or capability, mental health and worker safety.

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

N/a

⁶ The Support Report, JBWere 2018

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?

- Similar to supporting worker psychological health and safety, many CSOs don't have the time or resources to collaborate.
- A collaborative coordinated approach is recommended as discussed in 1.3, which while requiring set up time would improve
 - effectiveness / impact.
 - process efficiencies for government, for CSOs working with government and with each other - minimising duplication, sharing resources be it human or other, sharing knowledge, sharing what works, demonstrating outcomes.
- Utilising technology like Foundation Maps or Foundation Landscapes could help government understand and visualise 'the composition, scope and funding flows' (issues paper p. 20) and be a tool for transparency (issues paper p. 21).
- If collaborative structures are developed, groups can identify their external risks and propose a rapid response plan to government. This could give government assurance that they are ready to face changes in the external environment. Collaborations can then move onto a common agenda, aligning strategies, shared measurement and communications.

From an equity perspective,

- 81% small - medium organisations need funding support to access resources and c&c building as many are the lifeblood of local communities.
- Whilst we support longer grant agreements, we understand as per the issues paper that that funds would then be locked up and not available to others or to new developments/changes. Some ways to resolve this include
 - Sync funding rounds across different departments to evenly spread availability and eligibility so there is not a flood/drought effect for CSOs.
 - Having an 'innovation / change buffer' to allow for emerging opportunities or new developments.
 - Technology could give government the optics it needs.

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

A centralised platform could work well, with alignment between departments and grant programs, federally at first and then aligned to state and local governments.

3. Providing longer grant agreement terms

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

3 years at minimum, 5 years is better. There is a distinction between service delivery grants and solving wicked / complex problems. Both will be assisted by longer term agreements. Service delivery would need flexibility to deal with external forces such as economic changes and disasters, whilst solving complex issues like climate change, modern slavery, homelessness, domestic violence and incarceration of first nations people would need longer grant cycles simply because these issues are more tangled and take longer to solve. We put the social sector workforce in the latter category, as it may take longer to change the 'wellbeing deficit norm' that has been developed over many decades. With funding for The Community Well, including for us to provide direct support, we aim to move the needle significantly within 5 years.

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?

N/a.

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

Funding flexibility to enable service delivery includes

- Investing in CSO c&c building.
- Provision for core or untied funding for organisations to do what is most needed. To give government accountability, organisations can nominate where they most need funds to go and report against outcomes or milestones achieved. For example, funding for HR with reporting against % staff and volunteer retention.
- Providing funding for indirect costs and c&c as part of project funding.
- Siloing a % of tenders or contracts for c&c as well as indirect costs.

Funding that supports innovation includes

- Calling for novel ideas to solve problems. This could include asking for CSOs to work in collaboration with peer organisations to raise ideas together and be funded as a consortia to implement. Collaboration is also a way to foster innovation as it helps get into the helicopter and synthesize fresh views.
- Allowing CSOs time to innovate. Innovation requires space away from focussed tasks. There could be support for leaders to take sabbaticals, staff to have strategy retreats or to take study leave, or simply have time to implement work

health and safety measures, as improved psychological safety will lead to more space for innovation.

- Note 3.4 below re how our philanthropic and government funders approach innovation where impact is more important than adhering to pre-assigned outcomes.

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

We have appreciated working with funders who have said to us (paraphrased)

"We don't treat failure as a problem, to us it is learning, so come to us if you are having roadblocks so we can assist (as we also know a lot) and if you fail, fail quickly and pivot to what works, even if that means amending your project deliverables".

To us this sends the signal that creating impact is most important and that flexible approaches to solving problems are welcomed.

Another funder watched how we weren't succeeding with recruiting participants for a program using email and appreciated us pivoting to calling everyone, and achieving a massive increase in participation. We were relieved when they commended our initiative, though this was a change to methodology. Again it was 'do what works!' This experience has also informed our proposal for having workforce wellbeing community liaison staff on the ground in local areas to provide local knowledge and use both the personal and digital touch to achieve program goals.

Another funder prides themselves on being 'first to fund' an innovative project and de-risking this for other funders to follow.

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?

Government could have an internal buffer of 6 additional months to allow for changes. They could also let grantees know that there is an open door to talk with department evaluation staff at any time, who can help them with what can be tricky for some organisations. This could be delivered at minimal cost for government and would

- Benefit government by being closer to what is really going on and being able to intervene earlier if need.
- Benefit CSOs through upskilling in evaluation, accessing previous learnings and having a closer working relationship with government.

4. Ensuring grant funding flows to a greater diversity of Community Service Organisations

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

N/a

4.2 What programs, supports and information are already available for smaller CSOs to help build capacity of the organisation? Are these working?

The supports below are critical and should be included in strategy / policy as they are working well but underfunded. There is a critical need to fund CSOs to implement psychologically safe and healthy workplaces as well as general c&c building.

- Supporting subject matter intermediaries such as Infoxchange for digital transformation and Justice Connect for legal advice, and Benefolk Foundation for psychologically healthy and safe workers and volunteers via The Community Well.
- Supporting new online initiatives that directly support CSOs and that are on demand free or low cost like
 - A sector Helpdesk function to point CSO's to free resources.
 - An Expert Bar where CSOs can receive short video consultations like telehealth as many wouldn't be able to afford the costs of regular consulting services or professional support.
- Supporting leadership intermediaries.
- Supporting professional services intermediaries that are building the skills and c&c of CSOs, which we offer through Benefolk professional services network as well as providing 300+ videos in the Social Sector Video Library.
- Supporting place based work to train CSOs, such as the LGA trauma prevention and recovery training we did in flood impacted LGAs in Northern Rivers NSW.

As a side note, over 2022 and 2023, Benefolk has been approached by 3 other intermediary organisations who are not financially viable, and require another intermediary like Benefolk to acquire them. Our intermediaries are being starved and need to be resourced as critical conduits for CSO support. This will also ease the burden of government.

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

- Government could support larger or more established organisations to mentor small or new organisations. For example, larger CSOs who have successfully diversified their income or created self reliance via social enterprises could mentor smaller or newer CSOs.
- In developing the structured collaboration as mentioned in 1.3 and 2.5, larger organisations could
 - host committees / consortias and provide backbone services to collaborative efforts.
 - provide office / meeting spaces.
 - provide staffing support, if they have capacity.

5. Partnering with trusted community organisations with strong local links

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

In 2023 Benefolk conducted training to staff and volunteers of 137 community organisations in the 7 LGA's of Northern Rivers NSW funded by Department of Communities and Justice NSW through their Flood Grant. The focus was on upskilling them to prevent and overcome workplace PTSD (vicarious trauma) and burnout. We are unique in focussing and building capability for workers and volunteers and had some impressive results, as outlined here and in the attached outcomes report.

- 38.5% came to the training not feeling confident in responding to trauma in others – this shifted to 94% feeling either somewhat or very confident after the training.
- Prior to the training, 66% did not feel confident in maintaining psychological safety – this shifted to 94.9% feeling either somewhat or very confident after the training.
- Barrier data reported that 40% don't have budget to pay for upskilling in supporting their people's mental health, and preventing / recovering from trauma, with 66% of people in rural and regional areas reporting that access to training is a barrier.
- Training could be rolled out to more communities /locations and aligned with areas of entrenched disadvantage or disaster risk / recovery.
- Our program could benefit from a whole of community approach similar to place based approaches via adding community liaison officers to provide a local links, knowledge and engagement at a community level.

- We are very supportive of place based approaches as they are very inclusive and have proven outcomes.

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

Place based approaches use approaches that enable funds to reach trusted CSOs with local links, however government could also consider

- Contracts that specify a certain % of the funds to deliver programs be procured or sub-contracted locally.
- Consortias with a lead organisation working and coordinating local organisations.

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

Whilst duplication is often thought of as a waste of money, sometimes it allows more funds to flow to people that need. For example if 2 organisations are doing the same activities to a large cohort of need, they both might be effective.

Government has the optics to see what has been done previously, what is newly proposed and where duplication may be a concern. It can discuss with CSOs with similar activities / audiences / locations if 'doubling efforts' would work or how they might benefit from a differentiated approach, or simply spacing activities out over time.

There is also an opportunity for CSOs to share their programs, learnings and outcomes via a central platform. Gaps could be avoided by using tools such as Foundation Maps and Foundation Landscapes as mentioned above. This would provide government visual tools to see what activities are not being funded or need more resourcing.

5.4 Where there is a community-led change initiative, could shared accountability to community and funders (government) strengthen service delivery?

Yes and also to philanthropic funders. Place based / collaborative impact approaches have as one of their 'conditions' a shared measurement system. This provides all stakeholders with accountability and aligns the targets, indicators and data collection into a common evaluation framework. This can enable government to tell a cohesive story of what has changed.

6. General questions for each focus area

6.1 If any, what are the problems or challenges you think have been overlooked?

- The lack of focus on workers and volunteers in CSOs; the people that show up to work every day.
- The lack of focus on intermediaries, who are different to peak bodies and advocacy organisations. Strengthening intermediaries will strengthen CSOs and support government efforts.
- Whilst the issues paper acknowledges there is a size difference of CSOs it doesn't mention the significance of the skew. 81% small and medium organisations, 50% with no paid staff and 10% receiving 94% of the funding is very unique and needs to be integrated into the response.

6.2 What other solutions or changes could also be considered?

- Prioritise work and volunteer force.
- Prioritise intermediaries.
- Fund collaboration.
- Larger businesses could mentor and provide pro bono c&c support to CSOs like how legal firms use spare capacity / staff to serve the community sector.
- Utilise the goodwill of CSOs to form strong coalitions and collaborations. Australia is the size of a large state in the US like Texas or California. We are a cohesive, 'can do' sector with many positive and trusted relationships with one another and with government. This is an opportunity.
- Albeit the issues we face will worsen without reform to funding processes and to the way we support our people - the goodwill will only take us so far.
- Government already has optics and data to a vista of CSOs that many individual CSOs don't have themselves. This is also an opportunity.

6.3 What does success look like?

- Success looks like starting with easy, short term actions whilst setting the systems up for long term improvements, such as collaborative approaches and streamlined infrastructure.
- We finish with a quote from The Community Well,

"Can you imagine our thriving and well social sector? Where our people that get up every day to work and volunteer are flourishing and at their best? They have strong workplace connections, fair workloads, and are supported to stay safe. Conflict is dealt with promptly and fairly, there is zero tolerance to bullying and harassment. Whilst there are natural ups and downs, work is a good and

inclusive place to be. As a result productivity increases, HR costs reduce, and the world is a safer and more equitable place for all."

7. Contacts

Thank you for the opportunity to provide input. Please contact us if you would like further information.

[REDACTED]

CEO/Founder Benefolk

E: [REDACTED]

[REDACTED]

Resources and Advocacy Manager, Benefolk Foundation

E: [REDACTED]

PO Box 262, Lennox Head, NSW 2478 | hello@benefolk.org | benefolk.org
ABN 796 303 745 15

