




# A STRONGER, MORE DIVERSE AND INDEPENDENT COMMUNITY SECTOR

SUBMISSION IN RESPONSE TO DSS ISSUES PAPER

*Karitane, November 2023*

Karitane thanks the Department of Social Services (DSS) for the opportunity to contribute to strengthening the sustainability of the community sector by offering this response to the *A stronger, more diverse and independent community sector: Issues Paper*. Karitane has aligned our responses to the questions raised in the issues paper.

  
CEO

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## ABOUT KARITANE

Karitane is recognised as a respected and trusted service leader in child and family health, perinatal infant and child mental health, parenting, preventative and targeted early intervention services in Australia. Established in 1923, we are celebrating our Centenary. Karitane is a NSW Affiliated Health Organisation (AHO) under the governance of the Karitane Board of Directors and through a Service Level Agreement to the NSW Ministry of Health and the South West Sydney Local Health District (SWSLHD). Karitane is also a registered charity and not-for profit/NGO entity.

Karitane operates at the nexus of the health, social services and early education systems, with a range of services provided in each domain across NSW and a growing national footprint in Queensland, Tasmania and in virtual care programs nationally. We are therefore uniquely strategically positioned with a holistic purview across the child and family ecosystem, with expertise across the social determinants of health and integration across the early years and social sectors.

We are highly geared towards strategic partnerships and partner with NGOs, pre-schools, schools, universal health service providers, peer organisations, universities, State and Commonwealth Governments, PHNs, corporate organisations and Foundations, who share our values and vision to support the First 2000 Days. We are funded by the NSW Government, Federal Government, Medicare, grants, research, donations, philanthropic grants and own source revenue streams to support comprehensive child and family and perinatal infant mental health services, delivering high quality, evidence-based support for families with children aged 0-5 years.

## SUPPORTING AND STRENGTHENING THE SUSTAINABILITY OF THE COMMUNITY SECTOR

Karitane welcomes DSS's interest in working with Community Sector Organisations (CSOs) to better understand and respond to the structural challenges that we face, particularly in respect to funding. It is essential that grants reflect the real cost of delivering quality services to our communities while considering essential costs such as workforce retention, appropriate facilities and maintaining community trust.

Karitane is in broad agreement with the range of recommendations/options identified in the issues paper. We would like to add a range of additional ideas for DSS and the Community Services Advisory Group to consider with respect to each area of focus.

## AREA OF FOCUS 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?

#### OPPORTUNITIES FOR CO-DESIGN AND CSO ENGAGEMENT WITH GOVERNMENT

- CSOs have enormous sector knowledge about what works and what has been tried before. Genuine engagement with government in a co-design process to support policy implementation and program design would allow government to take advantage of this.
- Good co-design processes recognise power imbalance between participants and facilitators. Any co-design process with government and CSOs must recognise that control over funding creates an important power dynamic.
- Department contacts and information on how to navigate, connect and consult with the relevant portfolios and key personnel would be welcomed. Current processes are challenging to navigate, engage in timely dialogue, and can hinder genuine attempts to collaborate or understand government intent. This could include regular updates via genuine outreach (but suggest not via a passive newsletter approach).
- Opportunities to showcase exemplar bodies of work and innovation through a roundtable approach could create more sharing and openness across the sector and afford new opportunities for partnership, innovation-sharing and collaboration, as well as understanding what models are working and what evaluation & impact measures have been undertaken/are underway
- While we welcome and actively seek opportunities to collaborate with government, government must recognise that CSOs are typically not resourced for this work. Government must recognise the time, energy and staff cost that goes into requests for input and collaboration. Government could consider payment mechanisms that would support CSOs to resource their collaboration with government, particularly for any ongoing co-design process. This would enable CSOs to provide better-quality input and demonstrate government's recognition of time/resources for that input.
- A plethora of co-design work and community consultation is underway by numerous government departments (state and federal) as well as health and NGO service providers. There is danger of over consultation with some of our more disadvantaged communities and a lack of sharing and responsiveness to information being heard in co-design processes. A co-design approach with shared intelligence across the sector rather than piece-meal/siloed co-design could be useful.

#### BUILDING A CULTURE OF TRUST

- We support the principle that without trust, genuine collaboration and partnership is not possible.
- As the partner with more authority, government must lead the work to create a culture of trust with and amongst CSOs.
- The nature of the relationship between funder and funded organisations can create a culture that can inhibit trust. Funded organisations are protective of funding and seek to ensure their prospects for future funding. This can impact collaboration with other organisations who may be perceived as funding competitors.
- Innovation requires space to fail. Sometimes, a good idea is underpinned by incorrect assumptions that cannot surface until part-way through implementation. CSOs need to trust that good ideas well-implemented that do not lead to the expected results will not damage their standing with

government, or their prospects of future funding. True change and innovation requires learning, adapting, and responding to local conditions, and a culture of trust with government enables that process to be undertaken.

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## GENUINE COLLABORATION

- Genuine collaboration requires genuine commitment, and structures that support and enable collaboration.
- The measure of collaboration is the experience of other parties in the collaborative endeavour. CSOs vary in their ability to be genuinely collaborative. Some organisations ‘talk the talk’, but cannot ‘walk the walk’.
- Collaboration between government and groups of CSOs may be supported by frameworks and training to build capacity in shared decision-making. Karitane has adopted the CAFE Consortium Framework (published by US Aid and Catholic Relief Services) to guide collaboration in multiple projects, such as our ForWhen national perinatal mental health care navigation project.
- While many CSOs are actively collaborative, government must recognise that competitive funding arrangements impede collaboration by pitting CSOs against each other for scarce resources. This environment can be challenging and hinder collaboration.
- Government could better encourage, incentivise and reward collaboration in funding cycles and commissioning. Ideally, CSOs should be able to signal collaboration parties. Sometimes, when governments determine consortium partners who may have different values, experience or collaboration expertise, the collaboration can be more challenging to manage.

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## CO-COMMISSIONING FOR COLLECTIVE IMPACT

- CSOs can be an integral part of the partnership for co-commissioning approaches.
- Integrated Child & Family Hubs are a clear opportunity for co-commissioning approaches that represent a partnership between CSOs, government and community, which will achieve improved long-term outcomes for Australians supported by the community sector. More information about Integrated Child and Family Hubs is provided at 5.1, below.

### 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?

Sharing information using technology has the potential to better support the community sector. Strong data collection and outcomes measurement is essential in delivering effective and accountable services. However, the Issues Paper overlooks a number of risks and issues in both current information collection and potential increased sharing of information.

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## DSS DATA EXCHANGE (DEX) PLATFORM

- The DEX information sharing platform is intended to demonstrate outcomes. It is a one-size-fits-all quantitative data collection platform, with service providers required to meet minimum standards in data input. It delivers good demographic data.
- The limited quantitative data collected through DEX, such as completion rates, is not reflective of outcomes that families are experiencing. Small changes can be significant and are not captured in the data. There is no opportunity to add qualitative data that can better tell the story of change experienced by some service users.
- The DEX platform is service-provider driven, with service providers making the decision about what difference a service has made for a family. To meet their minimum reporting requirements of 90% of service users agreeing to have their data included, service providers must “pressure” families to agree to data collection. Staff report that this feels coercive, and may put families at risk. There is no mechanism to demonstrate to families the positive difference that their data contribution makes. This perpetuates cultural violence, data sovereignty concerns, and a cycle of mistrust in government and in service providers. Families have many reasons to resist data sharing, including previous poor experiences, racial profiling, and the growing risk of identity theft through data breach. The requirements of the DEX platform push service providers to engage families with sharing data, and this can take away their decision-making agency. The risks associated with this are magnified for cohorts that experience marginalisation, including Aboriginal and Torres Strait Islander people, Culturally and Linguistically Diverse (CALD) people, and people with disability. Staff in identified roles are particularly sensitive to the risk of coercing their communities into data provision that may not be in their best interests, especially where there are layered historical reasons for ongoing distrust in government.
- Under a previous Communities4Children subcontract, our facilitating partner encouraged us to have staff fill out outcome measures on behalf of families, with or without their consent. We resisted, as we did not think this approach was ethical. This meant that in comparison to other providers, we had a lower score against the reporting rate KPI. This likely contributed to a decision not to continue with us as a community partner for that area.
- Staff find DEX clunky, slow, rigid, hard to use, and not intuitive. It requires people prepared to spend hours figuring out how to submit and generate reports. Existing validated outcome measures need to be translated to fit the DEX platform. The platform doesn’t support services adapting to meet changing community needs.
- Narrative reporting of outcomes and good news stories is needed to complement DEX data, rather than focusing only on rigid output data.
- DSS should carry out a systems redesign of the outcome component of its system using Human Centred Design principles. This should be informed by consumers, especially First Nations communities, and by service providers.

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## CARE NEEDED IN STREAMLINING REPORTING

- The Issues Paper notes an option to “to streamline and minimise reporting imposts”. Streamlining would be welcome but must be done carefully with recognition of the very wide range of activities carried out by service providers in the community sector.
- Requiring reporting against a narrow set of predetermined outcomes risks reporting against metrics that are not well-aligned to service delivery. Many evidence-based programs have existing validated mechanisms of determining change. These could be translated to meet an outcomes set, but data transformation of any kind carries a risk of losing the meaning of that data.

- Outcomes reporting frameworks must recognise that not everything that is important can be reliably measured or quantified, and that outcome measurement is just one part of the broad and complex discipline of evaluation. Qualitative data has an important role to play in reporting.

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#### DATA SHARING RISKS

- Technology-based data sharing must consider data compatibility, back-up, risk of data loss, risk of data breach, ease of access or generating reports, risk to families of unauthorised access, risk of misuse (e.g. through inappropriate data matching such as in *Robodebt*), etc.
- Strong ethical frameworks are needed to ensure service users can give genuine permission for their data to be shared, based on a clear understanding of the intended use of their data.

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#### NEED FOR IT RESOURCING

- Government must recognise that significant investment may be required for CSOs to improve their IT and data collection portals and Business Intelligence systems to record activity and outcome measures and to meet accountability reporting capability.
- The heightened need for data compatibility and the risks of data breach increases the need for this investment.
- Increased time taken for frontline staff to collect and enter data and for managers to extract, provide narrative, report and trend data for Executives, Boards and funders.

DSS could consider the following options as part of its work to improve sharing of information:

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#### DEVELOPMENT OF OUTCOME FRAMEWORKS BY SERVICE TYPE

- Good outcome frameworks can be applied across providers, with good data governance practices to enable confidence in the data. The CSO sector as a whole is too varied for a single outcome framework to be appropriate, but there is the potential to apply outcome frameworks by service type. For example, a new outcome framework will soon be operational across all seven Early Parenting Centre providers in Victoria. Karitane has also designed an Outcome framework and toolkit for all services offered and has designed a bespoke digital platform as well as developed evidence based, robust outcome scales for the Parenting sector.

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#### FLEXIBLE WAYS TO REPORT OUTCOMES THAT RESPECT SERVICE USERS

- Creative ways to hear service users' stories, such as video feedback or artwork, may help some service users to feel more comfortable and able to report on their outcomes.
- This could be particularly important for Aboriginal and Torres Strait Islander and CALD families, as it could be carried out in a more culturally respectful way.
- This could also better enable the voice of children to be heard.

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#### SHARING OF CONSULTATION AND CO-DESIGN OUTCOMES

- Many organisations separately set up consumer groups and co-design consultations. Communities, especially First Nations communities, risk being over consulted by a plethora of well-meaning organisations (more info at 1.3, below). Where feasible, co-design should be undertaken for whole

communities in a collaborative shared model with all providers in that area. The outputs of consultation and co-design activities could be stored in a repository accessible to CSOs, reducing the need to duplicate efforts and over-consult the same communities.

- This sharing must consider that this work is often undertaken unfunded by CSOs forced to compete against each other for scarce competitive funding. Government should consider structures that reduce the need for competition between CSOs – who generally prefer to collaborate.
- The Commonwealth could establish a pool of nationally available Consumer Engagement Groups, with consumers remunerated for their consultation time. These could form a go-to resource for CSOs.

### 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?

#### MEANINGFUL CO-DESIGN WITH COMMUNITIES

- Government could initiate and/or resource co-design that includes service users and CSOs. This will help to deliver service designs that are family-centred, rather than provider-centred.
- There are risks to the co-design process. Separate consultation and co-design processes led by individual CSOs or government agencies risk over-consulting the same cohort, who may become increasingly frustrated if they perceive that they have been saying the same things to different organisations but seeing no results.
- This risk is particularly salient in light of the cultural load born by First Nations communities, and First Nations CSOs who are themselves often inundated with requests for input or collaboration and under-resourced to meet all of these requests.
- If communities do not see outcomes from their input, they can lose trust in government and CSOs.
- Meaningful co-design does not necessarily mean *more* co-design with already over-burdened communities, especially those experiencing cultural load. Additional support and/or training could be offered to ensure co-design is done well.
- Co-designers in the community must be paid for their contributions. Funding needs to be available to cover this.
- The Communities4Children program is underpinned by a good concept, and is led by CSOs that have strong roots in each community. However, it risks being an example of both good co-design and over-consultation. Additionally, the short-term funding to subcontractors risks undermining the meaningful engagement with communities that underpins the program. For example, as a subcontractor in one community, we were offered only one year of funding – the program took time to establish and is now already winding down, which risks breaking trust with the community.

#### RECOGNITION OF BARRIERS TO CO-DESIGN AND CONSULTATION

- Co-design and community consultation requires time and budget. This work is often currently undertaken unfunded and haphazardly. Having resourcing available to support this type of work would make a big difference. This could be budgeted within program funding, or funded as a separate activity.
- Furthermore, co-design is often undertaken by researcher as part of research projects, so it is critical to understand and identify research in the sector where co-design and community consultation is underway

- Smaller and stretched CSOs typically have a commitment to co-design and community consultation, but may lack the expertise and resourcing to do it well.
- Government could develop and distribute a range of easy-to-use toolkits, staff training and resources for CSOs wanting to do this better.
- The pandemic and cost-of-living pressures has exacerbated community fatigue.

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#### ENSURING DATA COLLECTION IS OPT-IN

- In light of the data risks outlined at 1.2, data collection with service users must be opt-in, with genuine choice and understanding of the relevant risks and benefits. This ensures service users do not endure undue burden in their contributions.

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#### NEED TO OVERCOME SILOS WITHIN GOVERNMENT

- The Issues Paper notes that CSOs may be funded by multiple different government departments, but limits its data exploration to funding delivered via the Community Grants Hub within DSS. This is emblematic of the siloed nature of government.
- Truly reckoning with the structural barriers faced by CSOs in supporting their communities must include an understanding of the roles of other government departments, and the complexity of navigating multiple systems.
- A true partnership with government that delivers maximum outcomes for service users in the community sector would need to extend beyond a single department.
- Siloing of policy areas and services is common, and can have negative impact for service users. Key related silos, such as mental health, child protection, family violence, and drug and alcohol services, need to have much more effective support for collaboration between services to ensure that the best outcomes are achieved for children and their families.
- A whole of government approach to funding for Child and Family Health, and Perinatal Infant Mental Health services, with clear delineation between portfolios and jurisdictions across health and social services, would ensure service providers are not “bounced” between agencies when seeking or negotiating government support.

## AREA OF FOCUS 2: PROVIDING GRANTS THAT REFLECT THE REAL COST OF DELIVERING QUALITY SERVICES

### 2.1 WHAT WOULD ADEQUATE AND FLEXIBLE FUNDING LOOK LIKE?

Adequate and flexible funding could include:

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#### ABILITY TO ADAPT TO CHANGING COMMUNITY NEEDS

- Current grant funding structures require programs to be fully designed at the application stage. This results in difficulty modifying or adapting the program in response to feedback from families about what is working well or not working for them.
- For example, we identified that families receiving in-home child and family volunteer (peer) support often lived close together, and there would be additional benefit in bringing them together on occasion as a group. In consultation with our peer volunteers and families, we delivered a 6-week ‘Sing and Grow’ evidence-based program for both volunteers and families to attend. It was highly



successful – but could not be funded by our existing grant. In this case, we were in a position to be able to locate an additional funding source to cover this value-add to our grant funded program, but this would have been better funded within our existing grant.

- There needs to be flexibility within the grant agreement process to evolve and improve programs based on changing community needs, with funding enhancements.

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## RECOGNITION OF THE BENEFITS OF EARLY INTERVENTION AND PREVENTION

- There must be recognition that intergenerational problems cannot be fixed within a 3-year election cycle. Early intervention and prevention is key, but funding priorities do not recognise this.
- Prevention and early intervention approaches have demonstrable return on investment, but current government funding arrangements do not reflect this. A significant proportion of services delivered to new parents and babies rely on philanthropy and the generosity of high-net-worth individuals.
- There is a clear need for government to prioritise investment in effective early intervention services and supports for children and young people. The benefits of effective investment in the early years can extend from improving health and wellbeing for children and families in the short term, and reduced inequity and disadvantage in the long term.
- A focus on prevention and early intervention is critical as the cost to government of not intervening early is significant and estimated at \$15.2 billion annually in high-intensity and crisis services.
- More direct Commonwealth-funded programs in early parenting and child and family health, especially virtual programs, would enhance equity of access nationally. This will reduce service disparity where state-funded programs cannot be accessed outside of specified regions.

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## LONGER LEAD TIMES TO FACILITATE DESIGN AND COLLABORATION

- Structures and timeframes around funding are just as important as funding amount in providing adequate and flexible funding to deliver quality services.
- Open grant rounds typically have around six weeks between the grant opening and the due date for applications. During this time, programs need to be designed in line with available evidence to meet stringent grant criteria, partnerships with suitable governance models must be established, resourcing must be determined, and application materials must be prepared. Six weeks is a very short amount of time to engage in a partnership and design a program that addresses a complex social need in the community.
- Sometimes, a CSO may miss the announcement of a grant round opening, perhaps due to a staff absence or a busy period delivering another project. This small lapse may mean that there is not enough time available to do the work to submit an application. CSOs can miss out on funding rounds to the detriment of their community. Funding may not be available again for a year or more.
- This places pressure on staff not to take leave, or to work while on leave, or to overwork late at night and on weekends during busy periods, in order to meet stringent grant deadlines.
- This could be overcome with more frequent/accurate grant forecasting and significantly longer lead times for grants. The grant forecasting feature on grants.gov.au is used infrequently, but greater use of this could help CSOs to plan for submissions. This would require sufficient detail on eligibility and intended grant outcomes to facilitate initial design and planning. For example, it seems likely that a new round of the Strong and Resilient Communities grant may open in late 2023 or early 2024, but this does not appear on the grant forecast on grants.gov.au, and so planning for this opportunity (including staff leave) is a challenge.
- Significantly longer lead times for grant proposals (e.g. 3-4 months) would enable better program design with more appropriate and clearer partnerships, including suitable shared governance arrangements. The social issues that CSOs tackle are complex – more time to design good programs

that are strongly aligned to government policy and intended grant funding outcomes would benefit CSOs, government, and the community.

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## RECOGNITION OF QUALITY OVER LOW-BUDGET SERVICES

- CSOs that can demonstrate low budget services seem more likely to attract funding. However, this may result in low-quality services that do not meet the needs of community members, especially community members experiencing intersectional vulnerability.
- Many grant opportunities prioritise funding to services that reach a high number of people with a low cost-per-person for delivery. More expensive and intensive services that may have a higher cost-per-person are also needed to address complex needs. There must be funding available that prioritises a large change for a small number of people, as well as funding for a small change across a large number of people.
- Unplanned events take place. Staff take maternity leave, suffer ill health/chronic health issues and this can be detrimental to program delivery and trying to achieve backfill which can add additional salary & wages expenses not in original budgets

## 2.2 WHAT ADMINISTRATIVE AND OVERHEAD COSTS ARE NOT BEING CONSIDERED IN CURRENT GRANT FUNDING?

Indirect costs, or overhead costs, are a fraught topic for CSOs. Many people across government, philanthropy, the public and the media all expect overheads to be minimised, or to not to pay for them at all. Yet they are essential to running a functioning, effective organisation that delivers outcomes for Australians in need. Funding is very lean and barely covers more than frontline staffing costs. Fixed overhead rates need to be eliminated, with budgets set up to capture and fund indirect costs. Capacity should be built in grant budgets to better reflect indirect costs of service delivery.

*“One of the key drivers of this vulnerability is insufficient funding of not-for-profit ‘indirect costs’ – for example, HR, IT and finance. This is called the ‘non-profit starvation cycle’, in which funders having inaccurate expectations of how much overhead is needed to run a not-for-profit means these organisations underrepresent their costs. This leads to a sector starved of the necessary core funding required to create resilient not-for-profits delivering long-term impact on complex social issues. [...] there is clear evidence that spending insufficient resources on indirect costs can potentially reduce overall effectiveness.”*

*- Paying What It Takes report, 2022.*

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## ADMINISTRATIVE BURDEN

- Good administration and reporting is essential to effective and accountable delivery of government-funded services. The time and skill taken in meeting these essential requirements is typically not considered in grant funding. This includes financial and outcome reporting, data collection, meetings, contributions to communities of practice, and more. Staff management, professional development, supervision are also not funded. The C4C programs (as a community partner) in particular fund the

service delivery element of a program only but no other infrastructure, management or administrative burden costs.

- The lack of consistency and proportionality in requirements across grants significantly increases the administrative burden. Our finance teams need to be across a large number of different reporting systems, timeframes, standards, eligible expenditure requirements, acquittal timeframes, etc.
- Many small grants require as much or even more administration as larger grants. This seriously reduces the efficiency of funding. For example, we were awarded a small \$5000 multicultural grant – the administrative burden was so high that staff regretted applying in the first place, stating that the funder should “take it back”. Administrative burden should be aligned to the funding amount and organisational type.
- Administrative burden tends to be higher under sub-contracting arrangements such as Communities4Children, with commissioning partners sometimes requiring many hours of unfunded meetings. There is a complete lack of consistency between the requirements of different commissioning partners at all stages, including funding period, potential for extension, clarity on processes, reporting requirements, etc. Karitane is unclear if this is a result of different requirements from DSS, or from internal processes at the commissioning partners. We subcontract to four different commissioning partners under Communities4Children – for one of these subcontracts, the unfunded indirect cost of meeting the reporting requirements, including very frequent meetings with four staff members, is higher than the actual value of the contract and the frontline service delivery that we carry out. This subcontract specifically prohibited overhead costs. We hold one direct contract with DSS – the reporting on this grant is much simpler and does not require significant administrative burden.
- Additional funding sources are generally viewed favourably by grant makers, however grant makers need to recognise that this means multiple reporting requirements on a single project, increasing the administrative burden.

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#### ADDITIONAL STAFFING COSTS

- Staff members delivering a grant-funded program may take extended leave, for example due to pregnancy/birth, or chronic illness. There is no buffer in the staffing allowance under grant agreements. Additional recruitment, engagement of temporary staff, and backfill are not funded.
- Training and professional development are important for quality service delivery and staff retention. Similarly, staff need time for quality improvement activities and collaboration across disciplines. These activities are typically unfunded.
- Supervision and management costs are typically bundled in with ‘overhead’ and are essential for staff to deliver a quality service and feel supported while they do it.
- Short-term grants have significant negative impacts of workforce attraction and retention. These are further detailed at 3.1, below.
- Indirect staff cost to support the delivery of programs are captured predominately within a fixed overhead rate. However this does not capture the true cost of service delivery. Overhead charges are restricted based on the funding availability in the grant.

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#### OPERATIONAL SUPPORTS

- Operational supports are needed for frontline staff to do their jobs properly, and to feel respected, appreciated and supported in doing their jobs.
- Basic costs, such a portion of funding towards electricity, phone and rent, are typically ineligible expenses in grant agreements. Similarly, supervision, governance, finance operations, payroll, HR, monitoring, quality, and WHS are also not considered.

- Many frontline workers at CSOs are exposed to vicarious trauma throughout their work. There are costs associated with creating a workplace that supports staff mental health in order to build service sustainability and ensure retention, such as an Employee Assistance Program, rewards and recognition, and opportunities to connect with fellow team members. There is typically no funding to support these costs – again, these are ‘overhead’.
- Burnout is a live risk for under-resourced CSO workers. While it is typically understood as a risk for frontline workers with a high caseload, there is also a significant risk in back-office workers – for example, in stretched finance teams with dozens of unaligned reporting requirements across multiple funding sources.

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## SERVICE DESIGN

- Programs seeking grant funding are expected to be fully designed and ready for implementation at the application stage. Public servants will appreciate that good program design takes time, and therefore requires staff resourcing. This resourcing is unfunded.
- Similarly, co-design is often unfunded. Good co-design can include financial recompense for the contributions of the designers. While co-design may be incorporated into the design of a project that attains grant funding, any initial work needed to develop that proposal is not funded.
- Service design for evidence-based programs needs to include research translation and collaboration with university partners. Karitane works hard to build and sustain collaborative relationships with university partners to facilitate this. Such work is part of organisational ‘overhead’.
- While program evaluation is typically an eligible expense in grant funding, it is generally considered unfavourable to allocate much to evaluation. This limits the potential rigour of evaluation. Evaluation is also needed across multiple programs and suites of initiatives to understand interactions across a service system – funding for anything more than program evaluation is typically unavailable.

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## GOVERNANCE

- Achieving best-practice governance requires specific funding allocated alongside service delivery costs. This is even more important when there is collaboration and partnership.

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## COLLABORATION

- Collaboration can drive better outcomes for service users. It also requires additional time and effort, and so requires more resourcing. This includes at the program design stage.
- Even when services are funded to co-locate, this is not sufficient to deliver a high quality, effective integrated services that can support the needs of children and families. Funding must cover the work that is required for true coordination, collaboration, and shared governance.
- Contribution across the sector, including to processes such as this paper, also require significant staff resources, and are unfunded.

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## SERVICE AWARENESS

- Prospective service users must be aware of a service before they can use it.
- Funding for branding, marketing and collateral for new programs is generally not adequate. Well-designed, attractive collateral can increase service usage and decrease stigma.

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## FACILITIES AND EQUIPMENT

- Affiliated Health Organisations such as Karitane do not receive budget for capital works or improvements in the way that other health services do. Funding for capital works is challenging to source. As a result, many Affiliated Health Organisations in the Child and Family Health sector are burdened with ageing infrastructure that creates an unwelcoming atmosphere and inefficient service delivery or cannot be repurposed to meet changing community needs. This is also felt strongly amongst other non-health sector CSOs.
- Asset management is impacted by limited funds when spend is on remediation rather than refitting infrastructure assets at end of life. This impacts service delivery and can ultimately prove more costly.
- Good quality facilities are important for service delivery. Comfortable environments are needed to help vulnerable community members open up and explore options for support. Poor quality and aged facilities in community service providers tells users of these services that they are not valued, and contributes to the stigma in accessing services. Old desks and chairs increase the risk of strain injuries amongst team members.
- IT and data collection equipment is essential, and typically also considered 'overhead'. Older computers cannot deal with the load of modern software, even the basic Microsoft system.

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## CONSEQUENCES OF UNDERFUNDING OVERHEADS

- Scarcity of funding creates considerable problems for service providers like Karitane, limiting our ability to deliver long-term strategic vision for our organisation or our sector. Significant competition between service providers for scarce funding resources magnifies financial instability, increasing risk in developing and delivering innovative services, effective impact evaluation and attracting and retaining skilled staff.
- This has significant flow-on impacts, including workforce impacts, strategic planning impacts, overlap of service delivery, underserved areas, and substantial regulatory burden. Staff are often employed on year-to-year contracts, reducing staff retention as skilled workers seek greater job security. This erodes trust with the community, and reduces service efficacy.
- Across the sector, CSO staff are expected to work in an under-resourced way that is detrimental to their wellbeing and to the sustainability of the services they deliver. Burnout is common across the sector. Ongoing uncertainty around funding contracts (short term funding cycles for parenting programs) creates instability in workforces and limits necessary capital investment.
- CSOs also face pressure to under-report overheads to funders. Where the overhead allocation in a potential grant is particularly low, we may not apply for funding – ultimately, this is a poor outcome for the communities that we serve, as available funding isn't being used to deliver the services that they need, because it will lead to lower sustainability in our organisation.

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## THE NEED FOR COORDINATION BETWEEN FUNDERS

- As a CSO operating at the intersection of health and social services, we have complex funding arrangements, with revenue coming via state and federal government departments across health, mental health, social services, community services, Indigenous affairs, multicultural, and other portfolios, as well as through Medicare and private health insurance, short-term grants, philanthropic donations, and own-source revenue. Other CSOs may also have revenue coming through NDIS, veterans' affairs, education, industry, environment, online safety, and more.
- Our funding model is fragmented, insecure, and presents serious challenges for organisational sustainability. The roles of key government funders are not always clear, including the NSW Ministry

of Health, the NSW Department of Communities and Justice, and the Federal Department of Social Services. This means we are sometimes “bounced” between agencies.

- Each funding source has different requirements regarding record-keeping, measurement, acquittal, data collection, duration and more. The regulatory burden imposed by uncoordinated funders with diverse reporting and accountability requirements creates large corporate overheads, reducing funding efficiency. Service providers working across multiple acquittal and data-gathering requirements must meet a range of different standards, requiring significant time and skill. Karitane advocates for the importance of rigorous accountability requirements across parenting support services, however the diversity of requirements over different funding streams is costly and reduces organisational efficiency.
- This work from DSS in examining and addressing issues of administrative burden and unfunded overheads is extremely welcome. However, DSS needs to understand that it is only one part of the puzzle. While CSOs continue to have multiple funding sources, the burden of uncoordinated and varied administrative requirements will persist.
- DSS could use its position in the system to seek better coordination across the government departments that fund CSOs. This could start with sharing the outcomes of this engagement process with other Commonwealth funding agencies and with state government agencies. DSS could initiate a process to collaborate and coordinate with other government agencies to reduce the administrative pressure on CSOs by coordinating and streamlining some requirements. Even a small improvement could represent a large gain in efficiency for CSOs.

### 2.3 HOW ARE RISING OPERATIONAL COSTS IMPACTING THE DELIVERY OF COMMUNITY SERVICES?

- Karitane is experiencing growing demand across our services. Much of this is attributable to efforts to remove the stigma from help-seeking behaviour and accessing services, and from our work to support families to navigate the system and access the services they need.
- However, increasing demand without increasing funding leads to expanding waitlists, which can exacerbate issues for some families and damage trust. There is no scope to expand funding through pre-set grant agreements.
- Rapidly increasing costs in items such as marketing collateral, travel, and workshop facilitation are challenging budgets for programs designed prior to cost increases. These increases are not covered by indexation.
- Staff report increased stress & burnout due to increased demand, complexity and waiting lists.

### 2.4 WHAT HAVE BEEN YOUR EXPERIENCES WITH AND REFLECTIONS ON THE SUPPLEMENTATION AND CHANGE TO INDEXATION?

- There is a need for increased transparency and better communication regarding how annual indexation adjustments apply to funding. Indexation needs to be clearly visible, both from government to CSOs, and from larger CSOs to smaller CSOs.
- Notification of indexation tends to occur well into the financial year (November or December), despite the fact that costs increase from 1 July. This gap in communication creates uncertainty for CSOs.

- Indexation is not aligned to CPI, and this affects budget on grant agreements, especially longer term agreements. Typically, indexation is often insufficient to cover increases to costs such as travel, marketing collateral, event or workshop costs, etc. Indexation should align to CPI so that the increases to the costs of goods and services is considered.

## 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?

Increased opportunity to engage with government, outlined in against Focus Area 1, will be a key way to ensure equitable and responsive distribution of funds. Other supportive actions could include:

### MAPPING OF PROGRAMS

- Existing service providers and programs should be mapped, including key delivery parameters and complementary service availability. The maps should include which evidence-based programs are being offered, and whether any specific cohort is being targeted. This will support more effective service and funding planning, enable areas of overlap and underservicing to be identified, and identify opportunities for collaboration.
- This is a complex task that must be resourced, centralised (or shared to reduce inefficiency and duplication of effort) and would enable more systematic understanding of need and service gaps. The diversity of services and programs available is not well understood across the system. The Commonwealth government should allocate resources to fully map available services, consolidate and review any mapping activities which have been conducted recently or are underway, including C4C, TEI, Health and CSO services, and building on work carried out through the PHN network. This will help to ensure new initiatives dovetail/do not conflict with jurisdictional initiatives, and enable excellent practice to be identified, recognised and replicated.
- This could be supported by bilateral conversations with state and territory governments about resources, priorities and existing initiatives. This would allow Commonwealth efforts to be better targeted and fit within state structures.
- Clear metrics should be defined so that services can be more effectively targeted to where they are likely to have the greatest impact. Effective data capture will help identify the extent of the demand for services, enabling more useful planning, service design and delivery.

### PRIORITISING EVIDENCE-BASED PROGRAMS

- Funding should be directed to evidence-based programs that have demonstrable outcomes. Programs that have not yet been evaluated but that demonstrate a strong program logic and are likely to have positive outcomes should not be excluded, but programs that have strong evidence base should be prioritised.
- That said, this must not impose an undue barrier on programs that are not yet adapted to differing populations such as CALD and First Nations families. The ability to trial new programs and adapt existing programs must also be enabled. For example, the Volunteer Family Connect program was listed on the Australian Institute of Family Studies list of evidence-based programs approved for use in Communities4Children. We were requested by the Biripi Aboriginal community around Taree to culturally adapt and implement the program for their community, but this could not be funded under Communities4Children as an evidence-based program.

- The Paul Ramsay Foundation is a good example of a funder that supports a “try, test, learn” approach, combining strong evidence with flexibility and innovation to respond to community needs. There is a genuine attitude of “try that, tell us how it works, and we can make changes based on what we find.”
- There is a hopeful mood about the Investment Dialogue for Australia’s Children (IDAC) and the synergies for CSOs to work with Philanthropy more closely
- CSOs should be contributing to and partnering with Research partners to further evidence based practice and to evaluate programs. It is not sufficient to run “evidence-based programs”, the key is to identify and match families to the right evidence based program that meets their needs and to evaluate impact.

## 2.6 HOW CAN GOVERNMENT STREAMLINE REPORTING REQUIREMENTS, INCLUDING ACROSS MULTIPLE GRANTS, TO REDUCE ADMINISTRATIVE BURDEN ON CSOS?

Regulatory requirements on funding should be rigorous but not onerous, and better streamlined across funding sources where possible. Options for this include:

### ONE GRANT MANAGER PER FUNDED ORGANISATION

- Karitane operates grant-funded programs from multiple funding bodies, and sometimes has multiple grant projects with a single funding body. Where DSS funds multiple grants to a single organisation, having a single point of contact with the department across all of those grants would massively increase efficiency and ease of engagement. This would facilitate greater consistency and streamlining of requirements.

### GREATER CONSISTENCY IN REQUIREMENTS

- There is currently no consistency in outcome or financial reporting requirements across grants. This includes both from government, and from facilitating partners under Communities4Children, where the different facilitating partners all have different reporting requirements, different meetings and different expectations. For example, one Communities4Children facilitating partner requires 8 hours of meetings every month as a requirement for a \$80,000 grant. Meeting all of these varied requirements is time consuming and can be confusing.
- More consistency in reporting and administrative requirements for funding would greatly enhance efficiency in administration. DSS could support Communities4Children facilitating partners to be consistent in their requirements.
- DSS could use its influential role in the system to encourage other grant funders to also be more consistent in their reporting requirements, to reduce administrative burden on CSOs across multiple funding sources.

### TIMING

- Government should be considerate of major events, such as the Christmas/New Year period, when setting timeframe requirements for reporting.
- When reports are due on 15 January, CSOs have no good options: they do the reporting before Christmas and deliver incomplete data, or they require staff to complete reporting in early January, preventing some staff from taking needed leave and spending time with their families, and being unable to access data from people who are on leave. Delaying reporting to early February would make a huge material difference for staff wellbeing at many CSOs.



- Grant applications and major submissions with due dates in early January prevent CSO team members from getting the time off that they need to sustain high quality service delivery. This should be avoided.
- Similarly, the end-of-financial-year period carries significant administrative requirements. Where deadlines can be spaced out to create more breathing room for administrative staff, they should be.
- Government should also recognise that delays from funders lead to implementation delays, and KPIs may need to be adjusted. It is common for government not to meet its stated timeline for the award of grant funding, reducing the overall time for service implementation and delivery. This must be considered in assessing outcomes.

## AREA OF FOCUS 3: PROVIDING LONGER GRANT AGREEMENT TERMS

### 3.1 WHAT LENGTH GRANTS ARE CSOS SEEKING TO PROVIDE CERTAINTY AND STABILITY FOR ONGOING SERVICE DELIVERY?

#### LONGER GRANT AGREEMENTS STRUCTURED FOR FLEXIBILITY

- Longer term grant agreements would massively reduce organisational instability.
- Grant agreements could be structured based on demonstrating effective services. For example, a grant could be for 3+3 years (i.e. 3 years, with an optional additional three years based on the achievement of outcomes), or 5+5 years. This would ensure that governments and CSOs are not locked in to programs that are not achieving outcomes, but would also give the stability needed to successfully build a service. When coupled with trust from government, it may give CSOs the flexibility needed to adapt programs as community needs change, or pivot if underlying assumptions prove different than expected.
- Proven models with strong results should be supported to scale with clear mechanisms, pathways and frameworks for how this can be approached.

#### TRUST TAKES TIME

- Grant agreements should consider the length of time needed for trust-building and community engagement in the set-up of new or expanded services and programs.
- In our experience, it takes 12-18 months to establish a new service to the stage where it is delivering outcomes as expected. It is unreasonable to expect a service to be delivering against its full set of KPIs before then – it hard to get the evidence of impact quickly enough to satisfy funders and continue to build the model.
- For example, Karitane has launched a new-to-NSW evidence-based program model called Empowering Parents Empowering Communities (EPEC), designed by Murdoch Children Research Institute. This program has a strong evidence base, is very highly regarded, and has achieved great outcomes in Tasmania, Victoria and the UK. However, it takes time to build. We obtained funding for one year in Sydney as a new initiative, with an extension of 6 months added. We are only just getting traction within the community now, and the funding is about to end. In a regional area, we obtained a longer grant cycle of 2-year review with potential for 4 years. We are tracking a lot better here, as we haven't had to wind the program up so quickly. We have been able to build trust in the area, with families confident that the service will be available for a period of time. We are particularly cognisant of building trust with First nations families who are tired of engaging with short term programs and organisations and want to see longevity and trusted, enduring presence.

## WORKFORCE RETENTION

- Attracting and retaining suitably qualified employees to deliver a program with quality and fidelity is challenging for shorter term contracts.
- Many staff seek job security, particularly in light of the pandemic and cost-of-living crisis. Contract lengths of 1-2 years do not offer any security, and may seek other roles that offer greater security.
- Staff delivering community projects are not interchangeable – it takes time to build trust with a community. New staff need time to learn about the program and their role. Recruitment and onboarding take time and resources – neither of which are available in short-term funding agreements. These costs are a greater risk for smaller CSOs.
- Losing talented people is wasteful. It creates systemic inefficiencies across the sector.
- Longer-term funding offers more secure jobs for staff, which improves workforce attraction and retention, and thereby improves overall service sustainability, and builds trust with communities. CSOs can make better investments in their team in terms of training and support, to deliver better outcomes to communities.

### 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?

- For large programs, minimum one year for extensions.
- Services take time to wind down. Sudden closure of services damages community trust. Clarity enables staff to seek their next opportunity with confidence. Without clarity on extensions, staff have no job security. They may seek their next opportunity, and if the service is granted an extension within the last few months, they may have already moved on. This can damage a service and may prevent it from continuing to achieve outcomes in the extended period.
- With clear notice that there will be no extension, we can enact a transition-out plan and wind down gradually, ensuring we retain trust with community and look after our team.
- For example, at present, Karitane is less than 8 months from the end of a grant agreement with the Department of Health and Ageing. Karitane remains in the dark about whether our large national perinatal infant mental health care navigation service, ForWhen, will be extended. This is causing stress. Staff are experiencing job insecurity – should they look for jobs, or not? Can we promote the service as continuing to be available for parents next year? Or do we need to wind down, consolidate learnings, and build from this base? Improved timings of communication from the Department of Health in their decision-making process around this program would be very helpful.

### 3.3 WHAT FUNDING FLEXIBILITY DO CSOS REQUIRE TO ENABLE SERVICE DELIVERY AND INNOVATION?

## FUNDING TO COVER STAFF CHANGES

- Grant agreements have no buffer to cover changes in staffing, for example due to pregnancy, accident or chronic illness diagnosis. When this happens (and it does, regularly), there is no money to cover backfill, maternity leave, additional recruitment, etc.

- DSS could consider retaining some funding to facilitate small grant variations in the case of unanticipated staff changes to fund backfill. This could require a robust application process to ensure it is only used where it is needed. Such flexibility would reduce burden for CSOs and help maintain delivery of services for communities.

#### LINKING FUNDING TO OUTCOME REPORTING

- Funding, including variations and extensions, could be tied to outcome and efficiency reporting. This would support the expansion of services that are delivering real outcomes for the community, or the redesign of services as community needs evolve.
- The NSW Department of Communities and Justice has effectively managed this in its Targeted Earlier Intervention (TEI) program. This program has built a culture of trust with service providers over a 5 year funding agreement, with opportunities to correct assumptions and adapt service design in line with growing understanding of what is working for the community, without concern about losing funding.

#### 3.4 WHAT FLEXIBILITY IS REQUIRED BY CSOS IN ACQUITTAL PROCESSES TO SUPPORT AND ENCOURAGE SECTOR INNOVATION?

- There needs to be sufficient timeframes to enable acquittal, including external audit. At times, the requirements placed by facilitating partners are not aligned with the realities of the time taken for audit processes.
- For our direct-to-DSS grant, the acquittal processes have been fine.

#### 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?

- The NSW Department of Communities and Justice (DCJ)'s Targeted Early Intervention (TEI) program uses a flexible outcomes-based variation process that allows the program delivery to adapt as more is understood about the community needs and how the program meets those needs, without the looming fear of losing funding. This trust and flexibility has enabled innovation and better service delivery through the program. Recently, DCJ has introduced a new clause that facilitates small changes without a formal variation, further enhancing the ability to adjust and adapt throughout service delivery. DSS should consider exploring this example of a variation process that is aligned to the grant outcomes and delivers improved services.
- DSS grant managers change regularly. At each staffing change, it takes time for the new grant manager to build their understanding of the program and its needs, and each manager has different expectation around reporting, communication, etc. Lower staff turnover at DSS would enable stronger relationships built on relevant knowledge of program history, which would improve the variation process.
- Variations is another process in which there is significant inconsistency from facilitating partners under the Communities4Children program. More consistency would be welcome.

#### OTHER COMMENTS RELATING TO THIS FOCUS AREA:

- Karitane particularly supports the option in the Issues Paper to do more to foster community voice.
- The Issues Paper flags an option for streamlined grant rounds and assessment processes, with simplified applications. Grant applications should not be overly long or complicated, but likewise, they should not be so short that CSOs cannot explain a complex proposal with the word limit. Proposals with multiple partners and system-changing objectives have potential to be highly effective and important for the community. However, these can be very hard to explain within short word limits and simple application forms. Government should recognise that explaining a proposed new service within a very restricted word count is difficult. Reducing word counts does not make grant applications simpler for grant applicants – medium-length responses with clear questions are easier to respond to.
- There is often a disconnect between outcome and financial reporting, with separate portals. Outcome and financial reporting should be considered together, with each giving context to the other. This would also help to demonstrate outcomes across more intensive or less intensive services by linking them to beneficiary outcomes. The Federal Department of Health and Ageing has combined outcome and financial reporting, which gives a better insight into performance. DSS should consider this approach.

#### AREA OF FOCUS 4: ENSURING GRANT FUNDING FLOWS TO A GREATER DIVERSITY OF CSOS

##### 4.1 HOW CAN THE GOVERNMENT ENSURE OPPORTUNITIES ARE AVAILABLE FOR NEW AND EMERGING ORGANISATIONS TO ACCESS FUNDING?

- The Issues Paper suggests separate grant funding streams for small and large CSOs. Karitane particularly supports this idea. This would ensure that funding requirements can be set to meet the needs of and support smaller, newer CSOs to grow into their role, without competing against major established CSOs.
- We also particularly support the option proposed of a comprehensive review of funding flows from government to CSOs. Ideally, this should include all funding from all levels of governments, or at a minimum, all parts of the Commonwealth government.
- We endorse and fully support the funding to ACCOs for leadership in first nations programs as part of the Close the Gap recommendations from the Productivity Commission and in communities where large CSOs can also play a partnership role with ACCOs if such a role is identified by the community.

##### 4.2 WHAT PROGRAMS, SUPPORTS AND INFORMATION ARE ALREADY AVAILABLE FOR SMALLER CSOS TO HELP BUILD CAPACITY OF THE ORGANISATION? ARE THESE WORKING?

We do not have a comment against this question.

### 4.3 HOW COULD LARGER CSOS SUPPORT SMALLER CSOS? WHAT ARE THE BARRIERS TO PROVIDING THIS SUPPORT?

- The community sector is generally very collaborative, and service providers across the sector are broadly support each other to support families. However larger CSOs do face some structural and compliance barriers in supporting smaller CSOs, for example with regard to insurance and compliance reporting.
- Competitive funding arrangements do not facilitate collaboration.
- On the ground, and without the spectre of competitive funding looming, CSOs are generally highly collaborative, with respect for each organisation’s niche and skills. For example, in our NSW-funded Targeted Earlier Intervention services, we collaborate with Communities4Children funded programs to run evidence-based group programs. This structure is flexible enough to help us find novel ways to achieve the best outcomes for families.
- Training, support and workforce capacity building
- Government could incentivise collaboration through funding arrangements by requiring a commissioned collaborative approach. The WHO Integrated Care Models: A Overview and NSW Integrated Care – Vulnerable Families documents demonstrate potential ways this could be achieved, and this could be adapted to the Commonwealth level.

## AREA OF FOCUS 5: PARTNERING WITH TRUSTED COMMUNITY ORGANISATIONS WITH STRONG LOCAL LINKS

### 5.1 WHAT IS YOUR EXPERIENCE WITH AND REFLECTIONS ON PLACE-BASED FUNDING APPROACHES?

Place-based approaches can be very successful ways to work, and also carry risks and weaknesses that must be understood.

#### INTEGRATED CARE HUBS AS PLACE-BASED APPROACHES

- The Issues Paper explains that place-based approaches “drive cross-sector collaboration to integrate and address fragmented service delivery and supports in pursuit of long-term outcomes.”
- Integrated Child and Family Hubs achieve this, with strategically targeted solutions tailored to community needs, collaborative and interactive ways of working, and localised flexible service delivery.
- Families in need of secondary and tertiary supports typically face multiple challenges, and require a range of supports. These challenges are often interwoven, with health concerns impacting on education, and social factors influencing health, etc. Siloed approaches in health, education and social services can impede service access. An integrated approach results in better access for families, with greater awareness of available services and improved visibility across the ecosystem for all involved.
- Integrated Child and Family Hubs provide a non-stigmatising ‘front door’ for families to access a range of integrated and co-located services, supports and social connections. Hubs provide an equitable platform to engage a wide population of children and their families, particularly those living with adversities. Critically, Child and Family Hubs have dual roles – acting as a social hub, providing a local place where families can go to build social networks, and as a service hub for the delivery of a wide range of integrated child and family services. Integrated Care Hubs provide a ‘one stop shop’, where

families can access a range of supports that improve child development as well as child and family health and wellbeing.

- It is important to recognise that co-locating services is just a step towards integration. For true integration, the connective tissue between services must also be funded.
- We believe the Commonwealth government should invest in Integrated Child and Family Hubs nationally as a priority, including developing a national approach to implementing, funding, and evaluating Hubs (outside the services themselves) with agreed core components and appropriate governance structures, and establishing new hubs in areas of high need. This is in line with recommendations made by the National Child and Family Hubs Network.
- The Issues Paper notes that place-based approaches need “a commitment to apply localised efforts with a long-term vision to support community change”. This required long-term committed funding.
- Place based hubs should also be open to hybrid and virtual models of care being incorporated where there are expertise and workforce shortages

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## RISKS IN PLACE-BASED APPROACHES

- Place-based approaches require some flexibility in geographic boundaries. While some areas have higher rates of disadvantage, families in need live everywhere.
- We have had good experiences working with Communities4Children facilitating partners. However, sometimes we might receive a referral for a family in a bordering postcode, and there is pushback about supporting families outside the defined geographical boundary. This is not fair or equitable, is confusing for service users, impacts on our reputation in the community, and can reduce outcomes for families. For example, under a Communities4Children program, we proposed a local school as a workshop venue. The school was located two streets outside of the defined geographical boundary for the program, and so we were unable to use it, despite it being a non-stigmatising community location for the target community. Instead, the workshop was held at an office, which reduced attendance.
- When families are willing to travel, or when there is no increased cost in delivering a service to a family outside a defined service geography, and when that family meets the criteria for the service, the service should be available. This should be conditional on genuine need, on other CSOs being ok with us working within close proximity to a designated ‘place’, and on ensuring there is no prioritisation of people outside the defined service boundary.
- Funding models should enable all families to access the services they need, regardless of where they live. Funding arrangements are often based on geographic lines, including online and virtual services, and some families cannot access services because of where they live. Funding for services that can be accessed from anywhere, such as virtual services, should not be allocated on a purely geographical basis – rather, these services should be able to be accessed by families in need, regardless of where they live.
- Place-based funding models should be aware of the risk of squeezing out smaller specialised CSOs that may have important expertise and could deliver efficient program outcomes, despite being based outside targeted locations. Place-based approaches need to understand the complementary role of both highly-localised services, and specialised services with particular skills that can support and collaborate with local services.
- Good data is important for place-based approaches. The [TEI data sets](#) by the NSW Government have been very helpful for us in designing service delivery as have “big data” information procured from organisations like Seer Analytics and Performl – but this is also an unfunded expense.

## FUNDING TO ENABLE NEW PLACE-BASED APPROACHES

- DSS may be able to draw on other parts of government to explore ways to fund collaboration and planning in place-based approaches.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts currently has two open grant opportunities to support development of regional precincts – [Precinct Development and Planning](#); and [Precinct Delivery](#). These two related opportunities are open non-competitive ongoing opportunities that require extensive collaboration between a wide range of project partners. The first opportunity provides substantial funding (\$0.5m to \$5m over 3 years) to facilitate active partnerships that deliver precinct plans based on community input. The second opportunity offers funding to enable delivery of elements of the planned regional precinct. This approach is attractive because it is flexible, it funds planning and collaboration, it has long lead times, and it requires extensive and active partnership.
- DSS could explore opportunities to adapt a model like this to the community sector, with similarly long lead times, funding for planning and collaboration, an emphasis on active partnership, and funding for delivery based on the plan.

## 5.2 WHAT INNOVATIVE APPROACHES COULD BE IMPLEMENTED TO ENSURE THE GRANT FUNDING REACHES TRUSTED COMMUNITY ORGANISATIONS WITH STRONG LOCAL LINKS?

- Where there is strong evidence that a program works, DSS could support the connection between CSOs delivering specialised evidence-based programs, and CSOs with strong local links in new areas.
- For example, Karitane’s DSS-funded Young Parents Program has demonstrated exceptional outcomes in South-Western Sydney over 12 years, with intensive case management, education and skill development for very young teenage parents at high risk of system dependency. There is a clear need for this program in other locations, but no clear avenue for geographic expansion. DSS could enable that expansion by facilitating connections between specialist and local CSOs, or by creating other pathways that could support expanded delivery of effective evidence-based programs.

## 5.3 WHICH AREAS DO YOU CONSIDER HAVE DUPLICATIVE FUNDING OR GAPS YOU THINK NEED TO BE ADDRESSED, AND WHAT IS THE EVIDENCE?

- Often, there can be duplication with other funding sources such as state based programs. More collaboration and understanding of the service system, particularly across government portfolios and jurisdictions, would be beneficial. This must include bilateral conversations with jurisdictional government about resources so that initiatives into disadvantaged areas are coordinated.
- There needs to be recognition that intergenerational change cannot be achieved in three years. Sustained commitment to communities is required. Regular changes to service providers and offerings doesn’t demonstrate commitment to communities.
- Mapping of services (see 2.5, above) combined with strong outcomes collection could enable predictive analysis of where services are needed. This requires flexibility in funding and nimbleness from service providers.

5.4 WHERE THERE IS A COMMUNITY-LED CHANGE INITIATIVE, COULD SHARED ACCOUNTABILITY TO COMMUNITY AND FUNDERS (GOVERNMENT) STRENGTHEN SERVICE DELIVERY?

- Karitane is highly supportive of this aspiration. This could be enabled by more actively listening to the community, and the ability to more readily pivot and respond to changes in community need (as we saw in response to COVID-19 and the Black Summer Bushfires).

<end>