

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

A regular dialogue between CSOs and a consistent funding Agreement Manager, with strengths-based ways of addressing challenges and celebrating successes. Regular turnover of Funding Agreement Manager can impede the opportunities for genuine partnership. On occasion our CSO has had the opportunity feedback to or collaborate with policy on aspects of our funding agreement. To further improve outcomes more regular feedback to Policy with membership by CSOs could be beneficial, with a focus on evidence-based approaches, contemporary research and literature to inform best practice.

In addition, grant relationships over a longer period of time could lead to more deeply embedded and genuine partnerships.

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?

Current channels of newsletters digitally is reasonably effective for the dissemination of information. Where there are important issues or information to share, getting an email from funding agreement manager or directly from community grants hub is the most direct and efficient way to receive information.

Another idea is to have a common platform with simple processes to share information up and down as well as laterally throughout the sector.

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?

True community collaboration and co-design takes significant resources and time. One consideration is to embed funds within grants to enable CSOs to have dedicated staff and resource to engage with families in program design.

2.1 What would adequate and flexible funding look like?

Adequate funding looks like:

- Funding that takes wage and inflation increases into account.
- Having the ability to request additional funds over the life of the contract. Contexts and situations change and it can be difficult to be responsive to community needs within static organizational structures and capacity without additional funding. For example, when rent costs increase significantly due to external factors (ie inflation), this money must currently be found from within existing budgets, which may impact the financial viability of a particular project. Having the capacity to request additional funding to cover these programmatic costs would be positive.

Flexible funding looks like:

- Options to phase spending across multiple years rather than have static funding amounts per year. This may also help to simplify acquittal and rollover processes.
- Flexibility of funding to cover more costs (eg capital costs) to ensure overall service delivery, rather than just being funded for one particular activity.
- Adequacy of what is funded – factoring in spaces for staff to engage in professional development opportunities and networks which service to strengthen the sector and improve referral pathways (eg at LLA)
- Use funding in creative ways – for example combining funding from funds across multiple activities to best use the money to achieve outcomes

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

As a medium-sized not for profit there are a number of administrative and overhead costs that are not currently factored into grant funding. Furthermore, funding agreements currently do not always acknowledge overhead costs with limitations on capital expenditure in particular. There are large costs to incur without the economies of scale. Having these considered into grant funding would ensure a higher standard of service delivery and ensure sustainability. These include but are not limited to:

- Quality, risk, and research costs
- First Aid, WHS and incident reporting
- Increasing overheads costs such as rent, venue hire, electricity which has increased significantly, with funding amounts fixed in signed agreements.
- Adequate resources for ongoing professional development and staff time for communities of practice.
- Improvements in buildings for accessibility and building maintenance to ensure a safe environment
- Limitations about not being able to spend on capital expenditure that allows for better service delivery. For example, cars to break down barriers of family engagement, air conditioning, maintenance costs of venues

to ensure they are accessible, welcoming and inclusive spaces to support families.

- In built funding to support paid maternity leave for CSO staff.
- Funding to support redundancies for short term funded grant agreements if fixed term contracts come to an end. This is especially relevant due to recent HR law changes requiring organisations to limit fixed-term employment contracts to contracts less than two years, and no more than two fixed term contracts per employee.

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

- Increased rent and venue hire costs, include the ongoing costs to sustain a venue to ensure it is an accessible and welcoming space for families
- Increases in wages
- Increase in all costs- including travel (accommodation, flights, fuel) purchase of resources, phone and data plans, catering expenses, costs for brokering specialists
- These rising costs ultimately impact an organisations ability to deliver face to face services, or in a worst case scenario reduce services. This is particularly the case in regional and remote communities.

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

- The timing of the notification and payment of indexation is problematic. Budgets for the financial year are often completed in March/ April for the following July to June period. Currently, we don't have visibility of the indexation amounts until well after the financial year has commenced. As a consequence, these funds often are rolled over into the next financial year to ensure good stewardship of funds, and to support future expected cost increases. For example, wages are by far our biggest expense, therefore it is not the most responsible use of grant funding to spend all indexation over 3-5 months to ensure it is expended by June 30. Having the flexibility to roll over unspent indexation funding to support sustained staffing would better support service delivery.
- At times the wording on Deed of Variations or Notice of Variations for supplementation and indexation funding is confusing and has made it unclear whether the funds are to be spent by the end of financial year or over the life of the program
- Our organisation does not get certainty of indexation through our various CfC Funded programs. Some Facilitating Partners pass indexation on, and some don't. We have also been in the situation where our CfC FP passes on indexation very late in June. It is inconsistent and difficult to plan for.

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?

- We need community champions who have the trust of their community, to tell us what their community needs. This information needs to be combined across the country to identify macro and micro solutions and therefore to inform funding distribution.
- The department collaborate with CSOs to communicate how they assess community need, so that we can plan accordingly. This would ideally also include consultation with CSO providers on the ground about equitable and responsive distribution of funds.
- We support investment in evidence-based approaches and frameworks, with an approach that brings together government, contemporary research and CSO's on the ground experience.

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

- Once example is the Child Safety Declarations, which currently have got to be completed per contract/ grant rather than per organisation
- One reporting mechanism across all programs, so staff only have to be familiar with one platform. However, this platform would need to also be responsive to the different modes of delivery and outcomes being tracked.
- Acquittal and financial information for each contract varies, including auditing requirements, this makes it more complex than what it needs to be and increases overheads for CSOs. Reporting on higher-level categories of expenditure, ensuring it all goes to delivery-focused activities would also simplify financial reporting requirements. Examples of categories may include: Overheads, direct delivery costs, indirect delivery costs, Other.
- Increased outputs-focused data collection can present a challenge to developing relationships with families, as increased paperwork for families can increase their barriers to engagement with CSOs.

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

- Supporting families is lifelong work, as there are continued new generations of children and families that need support. In terms of grant lengths, we would advocate for a minimum of 5 years, with options to extend by an additional 2-5 years. It takes time to build trust with families, and gain momentum in the

community. Where grant agreements are one off or short (ie. 1-2 years) it is more challenging to build sustaining relationships and make long term impacts. This would also allow for the development and refinement of robust processes, the development of IT systems to match the program needs, and the development of quality resources with a focus on co-design with the community.

- Whilst minimum 5 year grants would be very welcomed, for community change to be effective and realistic, particularly in childhood you need to see generational change. 12 year grant lengths would therefore enable greater scope to measure impactful generational changes.
- In addition the ability to support generational change, longer term grant contracts would enable CSOs to offer staff in this sector better permanency and certainty, which would lead to a more stable workforce. This would also enable CSOs to maintain longer term relationships with families in the community, thereby increasing their level of trust in CSOs.

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?

3-4 months at minimum to allow for adequate time for change management. We recently experienced the closure of a grant agreement in December, and did not hear the outcome of the next phase of grant funding until November. This made closure and program transitions difficult to support. The more notice the better to facilitate change management including recruitment or closure processes for staff and families.

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

- Agreement on the same categories of expenditure across different funded agreements so that we are always reporting in the same way. Consistency in acquittal processes would be welcomed. We recognize that where we are directly funded by DSS some standardization of reporting has already taken place.

- Flexibility of funding for innovation to use 10% of contract lifetime funding at once to fund research, rather than 10% each year. This ties in with our earlier statements around phasing of funding, rather than a static budget each financial year.

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?

A dialogue about which elements are crucial to maintain, and which are eligible for adaptation, as the level of change in the community and sector can be vast since the original grant agreement was developed.

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

The provision of some long-term agreements and some short-term agreements to support emerging organisations to access funding.

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

Mentoring from larger CSOs for smaller CSOs could help to support increasing the capacity and performance of smaller CSOs and encourage sector collaboration. Both organisations would need to be adequately resourced to enable this to happen, as staffing time and wages cost is often the barrier to this occurring.

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

Place based funding approaches enable a localised response to local issues. Each community is unique in its needs and strengths. This can lead to more coordinated approaches to community support.

In our experience some place-based funding approaches have a focus that is too small to effect system level and sustainable change.

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

The burnout rate of staff in the community sector. The cumulation of working through COVID-related social distancing and lockdowns, and increases in community need across multiple domains without a reprieve has led to significant stress for workers in the community sector. In addition to this, the increased levels of need in the community due to cost of living increases and inflation mean there are more families in need than ever before. CSOs are stretched to the limits of their resources and often still not able meet the demand for support.

6.3 What does success look like?

Happy, Healthy and connected communities where children, families and adults are connected to the right supports at the right time, and families and children are thriving.

