



ABN: 51 172 714 842

Submission to the Federal Inquiry on to stronger more diverse and independent community sector

Purpose of Document

Linkwest is the Peak Body for Community Resource and Neighbourhood Centres in WA, who widely deliver federal government services and programs funded by federal grants in their facilities. Linkwest is providing this submission as community sector feedback, to assist federal government in achieving a stronger, more diverse and independent community sector.

About Linkwest

[Linkwest](#) believes in the power of community. Together with our member network of Neighbourhood and Community Resource Centres, we build vibrant, inclusive and connected communities across Western Australia.

As the peak association for around 100 Community Resource Centres in regional communities and almost 50 Community, Family and Neighbourhood Centres and Houses across WA, Linkwest represents a mighty sector of Centres that are each the beating heart of their communities.

Linkwest members are known by different names and have originated from different beginnings, but all share a common role as safe and trusted places in their communities.

There are over 1000 similar Centres across Australia, joined through the Linkwest equivalent in each state, and represented nationally by the [Australian Neighbourhood Houses and Centres Association \(ANHCA\)](#).

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?

A successful and impactful CSO and government partnership is one that supports open two way conversation at all stages of design, delivery and evaluation. It ensures the diversity of CSOs are engaged in decision making.

Investment of time and resourcing to sector peaks, like Linkwest at a state level and ANHCA at a federate level, strengthens their ability to form sustainable relationships with government that is not possible or sustainable for each small community sector organisation. We are all capable of confidently and accurately representing the needs and interest of our members and are well positioned to work with government to inform priorities and address challenges.

The WA Government Department of Communities has developed a useful partnerships framework¹ that presents a model and approach to developing and measuring partnerships in the community sector and government context. Linkwest encourages the DSS to use this framework to guide how partnerships are developed and delivered in practice.

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?

Linkwest commends initiatives such Grant Connect that centralise information and make it easier to understand and stay updated on grants.

Improvements in how data from grant programs is collected, collated and share back to the sector would be beneficial. The delay in returning data and trends to CSOs results in a disconnect between the statistics and current reality in communities, risking grants and services being directed at outdated issues.

Small CSOs do not have the same data analysis capabilities as larger organisation or government departments and incentives to partner, share and work collaboratively on data collection and analysis would be beneficial. Small place based organisations like Neighbourhood and Community Resource Centres are ideally placed to provide insight to the context for data.

¹ WA Government Department of Communities partnership Framework [Partnerships at the Department of Communities \(www.wa.gov.au\)](https://www.wa.gov.au/government/publications/partnerships-at-the-department-of-communities)

Dedicated funding to give them capacity to engage in qualitative data collection and analysis would benefit the whole CSO grant program.

The use of the data for common learning is a great opportunity especially when data is already required as part of the grant acquittal. Linkwest recommends reducing the burden on CSOs by limiting the data collected to the strict minimum and appropriate to the grant value and size of CSO. Information collected at grant application, interim report and acquittal stages should only focus on meaningful indicators and value qualitative data and evaluation methodology.

Investment in approaches like [PeopleWA \(www.wa.gov.au\)](http://www.wa.gov.au) provide an opportunity to join up systems across jurisdictions and plan for ongoing future investment in a shared data repository, similar to that being invested in for Primary Care with [PHI \(primaryhealthinsights.org.au\)](http://primaryhealthinsights.org.au)

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?

The government can fund peak bodies to take the role of translators and representatives and work through peaks, like Linkwest, to engage with our members. We currently do not receive any federal funding.

Neighbourhood and Community Resource Centres are uniquely placed to see the holistic needs and solutions for their communities. A partnership with the Australian Neighbourhood Houses and Centres Association offer the federal government direct access to 1000 member centres and their communities across Australia. Our sector sees beyond siloes to represent communities and places as a whole.

Resourcing our members and Linkwest as a state peak to facilitating community and sector engagement offers a cost effective option with limited burden on government, CSOs and community members.

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

2.1 What would adequate and flexible funding look like?

Linkwest considers 'adequate' as grants that:

1. include the full operational costs to set up and deliver activities.

With insufficient funding to operate sustainably, a large majority of Centres in our network have reported trying to manage financial stress by applying for grants. They dedicate a considerable amount of time and resources to apply for grants. 10.2% of our average member Centres' total income comes from grants.² Reducing the time load expected from CSO to find and apply for grants, increases their capability to support their local communities.

2. Enable place-based models to be established in communities without existing infrastructure

Grants need to enable development of new organisations and community infrastructure. Time lines for grant application processes need to be long enough for collaborative and/or innovative responses to be developed and presented. Adequate time as well as adequate funding then enables organisations and facilities to be 'seed' or 'start-up' funded to include the infrastructure to provide long term hubs for specialist services and organisations. These facilities then remain as a community asset that is able to evolve and adapt to changing community needs (instead of the current model of funding specialist services for which demand changes over time)

3. Recognise the time and costs associated with engaging community, users, people with lived experience appropriately

Neighbourhood Houses are repeatedly approached by other community sector organisations to support them to reach community members. Very rarely are Neighbourhood Houses funded directly for this engagement and other community sector organisation rarely have this costed into their own grant budget.

Linkwest recognises 'flexible' as:

1. Longer grant terms that enable change to be realised in a community

Longer terms enable projects to be well planned and developed in partnership with all stakeholders. They also ensure change can take effect and be embedded in ongoing practice. Longer grant terms need to be supported by a continuous quality improvement mindset that enables CSOs to remain responsive to the changing needs in their communities.

² Finding Linkwest (2023), 2022 Member Survey Summary Report. Retrieved November 6, 2023, from <https://linkwest.asn.au/Web/Web/Resource/Advocacy/2022-Member-Survey-Summary-Report.aspx>

Longer grant terms or spreading out the time required for the grant acquittal and application over a longer grant period leaves more time for CSOs to deliver to their communities and conduct meaningful reporting and evaluation processes.

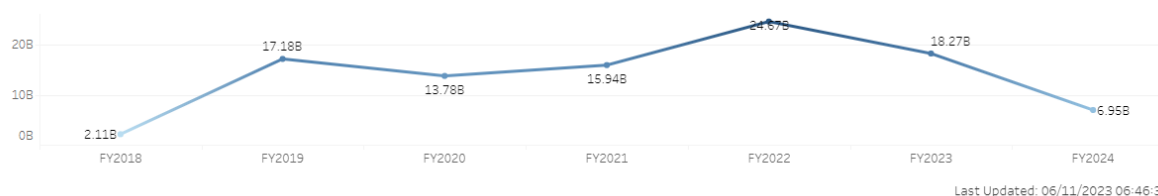
2. Outcomes and impact focussed grants

Focusing on outcomes and impact enables a community development approach to be taken in the design of services, activities and community supports appropriate to the strengths and needs of the target place and people.

Place-based organisations have unique insights on the needs of their communities. Brokering grants that are flexible to promoting place-based response to local challenges builds resilience and strengthens communities as a whole. This is especially true for holistic initiatives that look to preserve an environment and community. Grant programs that set loose metrics for community building are a great example of providing a flexible and adaptable structure for Centres to work with. Outcomes focussed Grants enable grass roots initiatives and are well suited to supporting place based and community driven responses.

Linkwest members have noted that there has been a 43% grant revenue decrease for Centres since 2021. This can be due to several factors such as reduced staff hours but ultimately highlights the need for grants application processes to be reasonably short. On a larger scale, according to the data from Grant Connect website, in this financial year, the Federal Government is brokering nearly three times less grants in dollar value than the 2023 financial year.

2.a Value Federal Grants Awarded by Financial Year³



In consultation with a remote Centre from our network, Linkwest received the feedback that some grant conditions cannot always be applied to small remote communities. This Centre wanted to organise and host some events to celebrate multiculturalism. They found that the

³ Data retrieved from Australian Government (2023), Grant Connect, Retrieved November 6, 2023, from <https://help.grants.gov.au/getting-started-with-grantconnect/information-made-easy/awards-by-category/>

grant requirements of having a referral from a cultural or ethnic community organisation was near impossible to obtain as their community was not big enough to have such organised groups.

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

Linkwest has seen that administrative and overheads costs are always underestimated in grant programs. A good example of this is the WA Traineeship program. It did not consider that grant funding to have additional staff as trainees/apprentices would cost the organisations more than the awarded grant. It did not address the reality of staff recruitment and retention in these organisations. The number of hours that trainees work at Centres per week has already decreased by 17% from the calendar year 2021 to 2022.⁴ This figures and network testimonials point to the traineeship grant program being a temporary fix and falling short of long-term concerns of staffing in the community sector, despite that being an intended outcome by state government.

Administration and overheads need to cover accurate costs of recruitment and staff development. Quality IT hardware, software and security provision needs to be recognised in grant funding, Insurance costs, accreditation and compliance requirements also need to be costed and funded appropriately when grant programs are developed.

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

Linkwest member Centres have been experienced financial stress due to the rise of operational costs with wages, rent and building cost pressures. Our members are also experiencing under indexation from ongoing contracts with state governments departments. These increased costs are forcing Neighbourhood and Community Resource Centres to manage costs by reducing opening hours, increasing the amount of hours that Centre managers are working unpaid time, increasing fee for service rates to pass the costs onto other organisations, recruiting less qualified staff and spending more time on making funding applications (reducing the time they are delivering services to community)

The current architecture of the WA state funding system for Linkwest members means that building and maintenance costs can only be funded by *ad hoc* grants or by election commitments. Investment in infrastructure is forced into taking a lower priority than the pressing and immediate needs of maintaining an open. Although not directly linked to federal grant processes, these operational costs do impact the delivery on grant objectives and outcomes. One example of this

⁴ Finding Linkwest (2023), 2022 Member Survey Summary Report. Retrieved November 6, 2023, from <https://linkwest.asn.au/Web/Web/Resource/Advocacy/2022-Member-Survey-Summary-Report.aspx>

is that Centres are not always eligible to apply for grants where their facilities are not already equipped to meet the target populations needs, for example accessible buildings for use by wheel chairs. There is a vicious cycle for some of our members – unable to find funding to invest in capital works and unable to meet demands in their communities without that investment.

3. Providing longer grant agreement terms

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

Linkwest recommends establishing grant agreements of a minimum of five years with grant agreements ideally ranging from seven to ten years. This recommendation is in line with [ANHCA](#) and our sister peaks in other states and territories. International place-based approach literature notes that “long-term objectives and outcomes characteristic of complex problems – often spanning 10 to 20 years or longer – are often seen to lie outside the timeframes of many government programs and their evaluation processes”⁵ This Short-term project-based funding is an obstacle to the evaluation process and delivering on the outcomes of a grant.

Linkwest members facilitate community development in their communities and need longer project timelines that build and sustain capacity and engagement.

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

Alongside longer grant terms, encouraging projects beyond pilots is an impactful way to stimulate sector innovation. Initiatives that may have previously been funded as pilot projects but that have the potential to be further developed, improved upon, or expanded. If Centres could be incentivised and supported to learn from funded pilots and work collaboratively to scale and apply local context, greater return on overall grant investment will be realised.

Linkwest also encourages a change in mindset from pilot to prototype. This terminology supports a focus on learning and continuous improvement and works well over longer grant terms where a flexible approach that is more suited to complexity, of probe-sense-respond⁶ can be applied and demonstrated to evolve the project as needed over time.

⁵ Policy Horizons Canada. (2011), The Evaluation of Place-Based Approaches: Questions for Further Research. Policy Horizons Policy Brief. Ottawa, Canada: Policy Horizons Canada. Accessed 6 November 2023, from http://www.horizons.gc.ca/doclib/2011_0074_EvaluationPB_e.pdf.

⁶ Cynefin Framework - Cynefin, pronounced kuh-nev-in, is a Welsh word that signifies the multiple, intertwined factors in our environment and our experience that influence us (how we think, interpret and act) in ways we can never fully understand. [About - Cynefin Framework - The Cynefin Co](#)

A flexible acquittal process could include built in consultation and planning in the grant terms. For small locally run not-for-profit organisations, like our members, who have an average of one full-time staff, these steps are usually being rushed as they need to be completed without funding, before a grant application is submitted.

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

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

In WA, Lotterywest continues to fund capacity building for organisations. Peak bodies (like Linkwest) also support their members with training, resources and access to networks that reduce duplication and increase shared learning. As the sector is very diverse and many small NPFs are managed by at times inexperienced, volunteer committees, organisations are not always aware of their capacity limitations and needs. Overall, it is the funders (usual a government agency or department) who are undertaking the greatest risk, and it is therefore in their interest to encourage smaller CSOs to build their capacity, undertake training etc.

Sector peaks like Linkwest play a critical role in building capacity in our member CSOs. Adequate funding to peaks is essential to build and maintain strong and responsive sectors. Building the capacity of smaller CSO does increase their confidence with project development and grant writing, which will increase diversity in grant applicants. At the moment, the larger CSOs have a clear advantage, which stifles innovation , diversity and community led responses.

Innovation in governance models – auspicing, partnerships, hub and spoke, managing organisation – also offer options to minimise risks in governance and financial management. Grants that encourage innovation in CSO design and governance for peaks, like ANHCA and Linkwest, to manage would be hugely beneficial for long term sector sustainability.

5. Partnering with trusted community organisations with strong local links

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

Our experience as a peak is that this is the most effective way of ensuring equity in delivery community access and outcomes. Placed-based organisations have built and established community trust and are better able to meet the needs of the communities they serve (especially when delivering services to at-risk populations). They are also better able to engage their communities and target populations in the design, delivery and evaluation of grant funded initiatives.

This is especially true for our most vulnerable and marginalised communities with the literature noting that: "The reality, of course, is that all people live in places, contribute to places and are affected by places. Poverty and disadvantage are mediated by place, and places are affected by the poverty or otherwise of their inhabitants. Hence, it is reasonable to suspect that policies that dissociate people from places and vice versa may perform poorly."⁷ Linkwest Centres are located in seven of the top ten most disadvantaged postcodes in WA as of 2021 making them ideally suited to delivering services to their community members to reduce their disadvantage and barriers to services.⁸

Place-based organisations have unique insights on the needs of their communities. Brokering grants that are flexible to promoting place-based response to local challenges builds resilience and strengthens communities as a whole.

One of Linkwest's metro Centres provides a free food delivery service for their community. They quickly realised the stigma accompanied with needing food relief and created a smiley face system for community members to discreetly signal at their home window, their need for this food assistance. People requiring the service would display a sad face at their front door. Locally based organisations are able to identify an issue and find a suitable solution locally.

Linkwest believes that a shift in policy from a deficit model to a strength based community development approach is essential to realising place based funding. Neighbourhood and Community Resource Centres are leaders in community development practice, facilitating people in a place to set priorities, identify solutions and play an active role in delivery, evaluation and ongoing sustainability. Adequate funding to community development will make place based models work in practice.

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

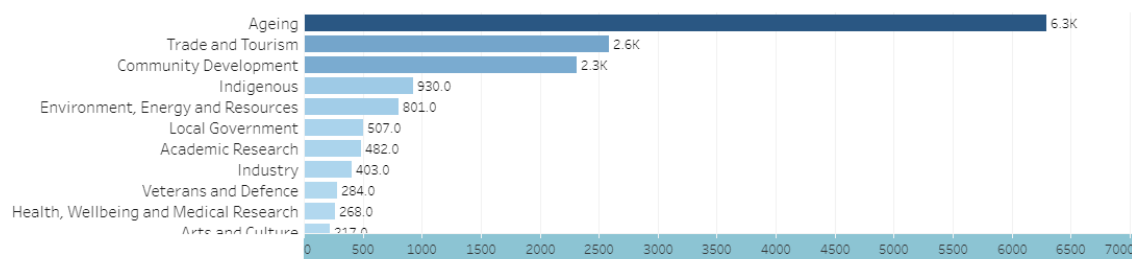
There is the tendency for funding agencies to "trend" specific priorities or initiatives. We recognise that this is often driven by election cycles or crisis points. This can sometimes result in certain initiatives being overrepresented and force a narrowing focus for CSOs. This siloes responses and diverts focus in policy and funding away from community development and community based sectors.. Mental Health is a prime example, especially where grants for treatment are prioritised over prevention and over broader holistic community resilience.

⁷ Australian Institute of Family Studies, "Placed-Based Approaches to Addressing Disadvantage." Accessed November 6, 2023. <https://aifs.gov.au/research/family-matters/no-84/placed-based-approaches-addressing-disadvantage>.

⁸ Jesuit Social Services. (2021), DOTE2021 Western Australia Fact Sheet, "Dropping off the Edge 2021",

As a Peak Body, we promote grant programs that may be of interest to our members – in the last 12 months we have advertised 65 grants opportunities. The most frequent grant topics open to our members in order of frequency are aging programs (13.8%), community development (12.3%) and programs with an environmental focus (10.8%).⁹ These member grant trends loosely reflect the grants awarded by category on the Grant Connect website.

5.a Grants Awarded by Category in 2023-2024 FY (sorted by grant volume)¹⁰



5.b Top three grant categories according to Grant Connect (sorted by grant volume)¹¹



Observing these trends is not to say that these initiatives are not impactful to supporting and promoting the wellbeing of Australians, however communities are better supported through place-based approaches that are more holistic in their scope, adaptability and reach.

6. 6. General questions for each focus area

6.3 What does success look like?

Success looks like grant funding programs that translate into ongoing contract funding, made available to organisations following the satisfactory completion of a prototype period. It would also require long-term contract funding for core services to support the essential needs of Australians.

⁹ Based on Linkwest internal figures and information.

¹⁰ Data retrieved from Australian Government (2023), Grant Connect, Retrieved November 6, 2023, from <https://help.grants.gov.au/getting-started-with-grantconnect/information-made-easy/awards-by-category/>

¹¹ *Ibid.*

Part of the vision for success would involve understanding that CSOs capacity to support Australians on the long-term is impacted by their financial sustainability. Federal grants could achieve better outcomes if CSOs are sustainably funded and operate from safe, up-to-date, and functioning facilities. A vibrant and energised community services sector includes a diversity of types and models, including social enterprises, successful long-term projects, quick responsive grants to meet immediate needs as they arise and longer term strategies that sit outside political cycles.

Success is achieved when a whole of system perspective is taken – when state and federal funding in to a place is co-ordinated at a local level.

Success is when small, place specific CSOs, like Neighbourhood and Community Resource Centres are fully recognised and valued for their ability to meet community needs and as unique in their ability to remain agile and responsive as those needs change.

Success is believing, acting and grant funding in a way that empowers communities to draw on the strengths and assets they already have within them.

References

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Acknowledgement of Country

Linkwest honours the Aboriginal and Torres Strait Islander peoples, the First Australians, whose lands, winds and waters we all now share; and we pay tribute to their unique values, and their ancient and enduring cultures, which deepen and enrich the life of our community.

We recognise that Aboriginal peoples, as the traditional custodians and occupants of the lands in Western Australia:

(a) have a spiritual, social, cultural and economic relationship with their traditional lands and waters, and

(b) have made and continue to make a unique and lasting contribution to the identity and well-being of Western Australia.