



Department of Social Services
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By email: CSAGSecretariat@dss.gov.au

6 November 2023

Submission in response to the *A stronger, more diverse and independent community sector issues paper*

We welcome the opportunity to provide feedback on the *A stronger, more diverse and independent community sector issues paper* (Issues paper).

Uniting NSW.ACT contributes to the work of the Uniting Church in NSW and the ACT, through social justice advocacy, community services and spiritual care. We provide services for all people through all ages and stages of life, and drive solutions to systemic issues so people experiencing disadvantage can live their best lives. Our purpose is to inspire people, enliven communities and confront injustice. We value diversity and always welcome everyone exactly as they are.

This submission is informed by our work across a variety of sectors including aged care, disability, mental health, early learning, family and parenting services and counselling and mediation. In 2022-23, we delivered services to over 118,000 clients across NSW and the ACT.

We commend the Australian Government on its efforts to build a stronger working relationship with Community Sector Organisations (CSOs). We believe that implementing the principle of meaningful working partnership is essential to creating a system which is effective and meets the needs of all Australians.

Our submission addresses many of the questions the Department asks in the Issues Paper.

However, we believe that this consultation also provides an opportunity to reconsider broader and more fundamental issues relating to the purpose and role of the community sector, and how CSOs can be utilised to deliver better outcomes for groups experiencing disadvantage. Current ways of working separate good practice at ground level from policy and program design at government level. This systemic separation hampers experiences of communities and the knowledge of CSOs from informing decision-makers and limits the effectiveness of the sector.

Grant processes, as currently structured, do not adequately engage with CSOs and the communities that they serve. They prevent CSOs from embracing best practice in program delivery by failing to fund co-design, continuous improvement and ongoing

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evaluation. The competitive tendering process prevents meaningful and collaborative relationships between providers including opportunities for shared learning.

The Australian government should embrace this opportunity to co-design better ways of working between decision makers, grant providers, CSOs and communities. In doing so, we can place communities experiencing disadvantage at the centre of our work and service delivery.

We have provided a series of recommendations within this submission which would contribute to improved relationships and grant processes. However, to create meaningful change, the Australian government will need to be ambitious in challenging the assumptions which underpin engagement with the sector. This includes embracing co-design through all aspects of policy and program planning and shifting focus towards achieving the best possible outcomes for Australians across all domains. We support the submissions made by The Possibility Partnership and the Strengthening Communities Alliance, which explore these issues in greater depth.

Please do not hesitate to contact [REDACTED] Head of Research and Social Policy, on [REDACTED] or at [REDACTED] for further information.

Yours sincerely,

[REDACTED]

[REDACTED]

Chief Executive/Executive Director
Uniting NSW.ACT

Submission in response to the A stronger, more diverse and independent community sector issues paper

As a community sector organisation (CSO) we are the recipient of a variety of Australian Government grants. Our responses below are based on this significant and ongoing relationship with the Australian Government, and experience with the grant process from application to acquittal.

We believe that the recommendations we make in this paper would allow the Australian Government to build a more effective working relationship with CSOs like Uniting to reduce administrative burden, increase collaboration across the sector and ensure efficiency within the grant process.

These recommendations are that:

- Service providers participate in co-design at the problem definition stage to ensure that policies and programs reflect the needs of communities and create effective solutions,
- Grant objectives be developed either through a standard set of objectives or through co-design with service providers at the beginning of the grant process,
- Grant agreement documents and contracts be standardised to streamline application and approval processes for service providers,
- The Australian Government establish regular program specific forums to enable service providers to share feedback with other grant recipients and the grant provider,
- Service providers participate in regular forums with grant providers and other recipients to inform data collection and reporting requirements,
- Grant agreements be structured to limit the administrative burden on service providers through identifying a small number of meaningful data points for collection and reporting,
- Grant agreements include funding for service providers to engage in consultation and co-design, or allow these to be acquitted within grant agreements,
- Grant providers consider the 'back of house' costs in delivering funded programs when the recipient is a smaller provider with limited organisational infrastructure to undertake the additional activities associated with program delivery,
- Supplementation and changes to indexation are managed through a standardised process across grant programs and are delivered in a timely manner,
- Grant agreements include provisions for redundancies that will result at the conclusion of a grant funded program,
- Five-year grant agreement terms be established as standard practice with variations to be considered and approved only where there is a need for a shorter program delivery,
- Grant application processes include adequate time for service providers to consider innovative ways of working across the duration of the grant agreement to

- encourage creative solution and service delivery,
- The Australian Government consult with the sector to develop a strategy for addressing workforce shortages,
- Grant programs allow service providers with the flexibility to manage underspend across the life of the program to allow long-term and creative planning,
- Grant programs and contracts include funding for reflective practice and evaluation and the flexibility for service providers to adjust program delivery accordingly,
- Grant tendering processes include alternative application options for smaller organisations to reduce barriers to accessing grants,
- The Australian Government consider innovative ways of facilitating and supporting collaboration such as secondments, cross-organisation supervision, shared professional development and co-location of grant programs, and
- Grant agreements include funding and flexibility to allow organisations to work collaboratively to deliver services.

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

We welcome the recognition from the Australian Government that collaboration and partnerships are essential to designing funding, programs and services which meet the needs of communities.

Co-design

We believe that currently, co-design between the Australian Government and CSOs is not effective and fails to meet the objectives outlined in the Issues Paper. Our experience in Counselling and Mediation services, particularly in supporting family dispute resolution, suggests that often policies are imposed on the sector without due consideration or active collaboration. This includes requiring CSOs to deliver services which are not appropriate for the communities in which they work (e.g., that are culturally insensitive or not evidence based). This leads to poor outcomes and wasted government expenditure.

The co-design proposed within the paper does not allow CSOs to be involved in problem framing, but rather limits involvement to the design and implementation of grants. Fundamentally, grants are a means of sharing resources with CSOs to address a specific problem which has been identified. The question of what the problem is in the first place is critical to the process. When the problem is framed in a way which does not accurately reflect the experiences of communities, the solutions are based on incorrect information.

CSOs have a demonstrated connection with the communities which they serve and can act as a critical mediator between local practice and policy development. Providers should be viewed as a mechanism for harnessing and elevating local experiences throughout the policy process. By integrating CSOs throughout policy and program design, decision-makers will benefit from the knowledge of providers which has developed through lasting and meaningful relationships with communities.

- **Recommendation:** That service providers participate in co-design at the problem definition stage to ensure that policies and programs reflect the needs of communities and create effective solutions.

Grant objectives

In our experience, grants documentation often includes objectives which are poorly

written or requires the CSO to develop their own objectives. When we are required to develop our own objectives, we run the risk that they may be rejected by the grant provider as not aligning with the intent of the program, often at the end of the grant acquittal process. We believe that the Australian Government should both establish a standard set of objectives or, where a program requires a bespoke objective, work with CSOs at the beginning of the grant process to develop and agree them.

- **Recommendation:** That grant objectives be developed either through a standard set of objectives or through co-design with service providers at the beginning of the grant process.

Grant agreement standardisation

We have also found that different grants and contracts have different layouts and components. The lack of consistency across grants agreement documents creates an additional administrative and review burden on CSOs, and this burden increases as the number of grants increases. The variation between grant documents requires CSOs to adapt their internal review and approval processes for each grant program. These activities are not accounted for within grant funding and takes resources away from service delivery. This would be mitigated through consistent grant documents and contracts.

While we recognise that blind consistency has costs, in terms of relevance to the specific circumstances of each program, we believe that the level of inconsistency we are currently observing is unnecessary and unhelpful. To streamline grant programs, the Australian Government should seek to standardise grant agreements across programs unless there is a demonstrated need for a distinct contract structure.

- **Recommendation:** That grant agreement documents and contracts be standardised to streamline application and approval processes for service providers.

Ongoing engagement with the sector

Currently engagement and reflection with the sector occurs on an ad-hoc or infrequent schedule which prevents real time, genuine feedback cycles between CSOs and the Australian Government. Too often the only chance to provide meaningful feedback occurs through program reviews and inquiries. Equally, each CSO within a program may have a different key contact, hampering information sharing among the sector and within the grant department. Relying on unscheduled inquiries and reviews limits the ability for grant providers to receive direct and current feedback from CSOs.

We believe that the Australian Government should be engaging with the sector on specific programs and initiatives on a regular basis through Communities of Practice or provider forums. These forums should be attended by frontline staff and management rather than executive level staff to enable the government to learn from staff implementing grants. In doing so, the sector should be empowered to report on the real delivery of programs and grants, engage in collaborative learning and provide feedback to government to inform program design and delivery.

The government should be mindful to ensure that these forums are a safe space in which CSOs can share challenges without fear of being found to be not delivering on the conditions of their grant agreement. Unless CSOs feel supported to share both positive and negative experiences, the quality of the input received will be diminished.

We recommend that these forums should be specific to grant programs rather than

general reflections on the sector. In doing so, there would be the opportunity to engage in the type of reflection and adjustment we explore further in our response to Area 3.

We note that the Issues Paper has proposed a Community of Practice for cross-sector collaboration which we would support under Area 4. We believe that this should go further to include a feedback loop between government and CSOs, rather than just within grant recipients.

- **Recommendation:** That the Australian Government establish regular program specific forums to enable service providers to share feedback with other grant recipients and the grant provider.

Data collection

We recognise the importance of data collection and reporting to ensure that grants are delivering on their intended purpose and achieving better outcomes. We welcome the commitment of the Australian government to improve data collection through the development of the DEX system.

We support data collection and reporting as a mechanism for ensuring transparency and accountability within both grant programs and the sector more generally. We believe that these are essential in building trust between the Australian government, CSOs and the communities they serve. We believe that it is possible to balance the need for data collection to inform evaluation and review and the importance of not increasing the administrative burden on CSOs.

The Australian Government should ensure that data collection is meaningful and provides valuable insights into the delivery of a program. We believe that CSOs should be invited to participate in discussions regarding data design, collection and reporting through a regular feedback mechanism. As previously discussed, we recommend that the Australian government establish forums for the sector to engage directly with the grant provider as well as other recipients. There should be additional forums which are specific to grant data collection, including the continuous improvement of the DEX system.

Further, we are concerned about the potential for changing government priorities to impact grant program design and delivery including data collection and reporting. Should this occur, there is a risk that changes in practice, reporting and acquittal would prevent a complete understanding of a program. Changes to reporting measurements more generally can hinder a full understanding of a program by changing data points and reporting requirements, preventing a direct comparison between stages of grant delivery.

We encourage the Australian government to ensure that the different data collection processes work effectively in developing a cohesive dataset which accurately reflects the experiences of all communities. It is important that data collected across government services, programs and initiatives forms part of a broader program of work which informs policy and program development.

We commend the Australian government on its work to date on developing the National Wellbeing Framework as part of a deliberate effort to put people and progress, fairness and opportunity at the very core of our thinking about our economy and our society, now and into the future. We encourage the Australian government to ensure the integration of data collected through grant agreements aligns with the National Wellbeing Framework. In doing so, we can develop a more fulsome understanding of the health and experiences of communities across the country.

- **Recommendation:** That service providers participate in regular forums with grant

providers and other recipients to inform data collection and reporting requirements.

- **Recommendation:** That grant agreements be structured to limit the administrative burden on service providers through identifying a small number of meaningful data points for collection and reporting.

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

Consultation with communities

Grant agreements are broadly centred on service design and delivery. This does not allow CSOs to engage in co-design and consultation with the communities they serve. These activities generally cannot be acquitted within a grant agreement, and as such CSOs either cannot work collaboratively with communities in delivering a grant or are required to fund these activities themselves.

As an example, our Headspace services have implemented a Youth Advisory Group which allows young people to provide feedback and contribute to policy design. This provides a critical source of information and empowers young people to participate in decision making. However, this program requires a dedicated staff member, funds to compensate young people for their time and endorsement from senior management. As structured, grant agreements do not provide support for this form of consultation with communities in other programs which limits the ability of CSOs to engage in reflective practice.

- **Recommendation:** That grant agreements include funding for service providers to engage in consultation and co-design, or allow these to be acquitted within grant agreements.

Organisational infrastructure

Developing and delivering grant programs requires organisational infrastructure which extends beyond the funding available in grant agreements. This includes human resources and training, expertise in managing grant processes including acquittal, and strategic planning. As a large service provider, Uniting is able to rely on existing organisational infrastructure to meet these needs however this is not always a possibility for smaller organisations.

- **Recommendation:** That grant providers consider the 'back of house' costs in delivering funded programs when the recipient is a smaller provider with limited organisational infrastructure to undertake the additional activities associated with program delivery.

Supplementation and change to indexation

The process for providing supplementation and notifying of changes to indexation is often delivered late and in an unpredictable manner. Consequently, CSOs are not able to predict or plan for how these funds will be utilised. The Australian Government should streamline and standardise the process by which supplementation and changes to indexation are provided to grant recipients.

Indexation funding should also accurately reflect the true impact of inflationary pressures on service delivery. Without adequate supplementary funding, CSOs are unable to meet the demands of delivering effective, quality support for individuals and communities.

- **Recommendation:** That supplementation and changes to indexation are managed through a standardised process across grant programs and are delivered in a

timely manner.

Amendments to the *Fair Work Act* to limit the use of fixed term contracts

We encourage the Australian government consider the implications of the reforms to the *Fair Work Act* in the context of grant programs. As per the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022* employers will no longer be able to employ an employee on a fixed term contract that is for longer than two years' duration, including with extensions, and cannot be extended more than once.

When developing and delivering a grant program, CSOs generally use fixed-term contracts which align with the length of the grant agreement. Under the new regulations, these staff would be limited to two-year contracts after which point, they would either be unable to continue in their role or must be placed on a permanent contract.

In circumstances where an employee must be placed on a permanent contract as they have exceeded the limitations of the Act, the responsibility for redundancy costs at the conclusion of the grant program will currently be borne by the CSO.

We believe that grant agreements should include funding to account for the additional costs incurred by CSOs under the new regulations in the Act. This is much more than a cost and compliance issue. There are significant impacts on staff and service delivery. CSOs would love to offer permanent employment. Fixed-term contracts make it harder for CSOs to attract and retain staff, often seeing resignations towards the end of a grant period as uncertainty around future funding rears its head. This impacts continuity of service, disrupting relationships and trust that have been built at a local level and with service users.

- **Recommendation:** That grant agreements include provisions for redundancies that will result at the conclusion of a grant funded program.

Area 3: Providing longer grant agreement terms

Minimum grant terms

We applaud the recognition in the Issues Paper that longer grant agreement terms are required to ensure that the sector can deliver effective and meaningful programs which meet the needs of communities. Short term contracts hinder the ability of CSOs to plan strategically, establish and implement programs in consultation with communities and engage in evaluation. It also contributes to existing workforce shortages across the sector. By contrast, longer grant agreements give CSOs space to adapt to local conditions and become embedded and valued partners within communities. This provides the conditions to achieve deeper and more sustained improvements in outcomes at the individual and community level.

We believe that five-year grant agreements should be standard with variations to be considered on an individual program specific basis. We recognise it may be appropriate for some grants programs to be delivered in a shorter time but by establishing a longer minimum period, service providers are given the confidence to apply and manage grants with the knowledge that they can deliver genuinely meaningful programs.

- **Recommendation:** That five-year grant agreement terms be established as standard practice with variations to be considered and approved only where there is a need for a shorter program delivery.

Grant application timelines

As a service provider, we have experienced the difficulties associated with short tendering processes which limit the ability of a CSO to develop a submission. When this occurs, CSOs are unable to research and build innovative service models which could be used to develop creative solutions within the terms of the grant agreement. This is particularly a burden for smaller CSOs with limited capacity to engage in service design and strategic thinking while working within a short time frame.

Longer grant agreements should be a mechanism for establishing innovative service models by allowing CSOs to establish new ways of working across a longer time periods, something which is not possible in short term contracts. This can only be achieved with adequate time for CSOs to develop these models within the tendering timeline. If this does not occur, CSOs will rely on existing service delivery systems rather than considering new ways of working.

- **Recommendation:** That grant application processes include adequate time for service providers to consider innovative ways of working across the duration of the grant agreement to encourage creative solution and service delivery.

Workforce challenges

Short term contracts make it difficult (or even impossible) to engage in meaningful consultation with communities, and limit the ability of CSOs to maintain their workforce for the full duration of the contract term. The current workforce shortages are exacerbated by short term contracts which do not provide stability for staff resulting in high turnover. As such, we support longer term grant programs and echo our recommendation above to make five-year terms standard.

Broadly, we believe that not including workforce challenges in the Issues Paper is an oversight. A stronger community sector is only possible through a committed workforce and adequate staffing. The people who we serve deserve a qualified, committed and diverse workforce which is able to deliver effective programs which meet their needs.

There is also a need to review the funding provided for programs with acute workforce shortages, particularly in specialised roles. For example, Family Dispute Resolution Practitioners must have a degree in a relevant field, be accredited through the National Mediator Accreditation System, have completed the relevant training including a Graduate Diploma and demonstrate relevant work experience. However the salary for these roles as funded by the Government does not reflect the expertise or training required, creating workforce shortages within this critical field.

We recognise that the Australian Government has committed to workforce development in the care and support economy including aged care, disability care and early learning. We commend these efforts. We believe that further work must also be done to address workforce shortages in the broader community sector without which the ability of CSOs to deliver programs will be limited.

This may include support for ongoing professional development, particularly within smaller organisations with limited capacity to fund these activities. We discuss ways in which the sector can support smaller organisations further in Area 4 however we believe that there is a role for government in ensuring that smaller organisations have access to workforce capacity building support.

- **Recommendation:** That the Australian Government consult with the sector to develop a strategy for addressing workforce shortages.

Underspend

Grant agreements should be more flexible to allow CSOs to effectively manage the use of funds across the entirety of the grant contract. Currently if a CSO has an underspend in one year of a program, this triggers significant reporting and acquittal processes which create unnecessary bureaucracy. In many cases, these approval processes usually require that it be acquitted in the same year, which forces the CSOs to spend the funds within a short period of time rather than may make it difficult to direct funding to areas which are in the long-term interest of clients and the program.

The costs of delivering services may fluctuate year to year according to the activities delivered, demand and overhead costs. Rigid and inflexible grant agreements prevent CSOs from thinking creatively to optimise the use of funds across the full contract cycle, including managing overspend year to year across the needs of the community. More flexibility would also allow CSOs to establish long-term strategic plans which distribute overspend over an appropriate period of time rather than requiring these funds to be used within a period of several months.

- **Recommendation:** That grant programs allow service providers with the flexibility to manage underspend across the life of the program to allow long-term and creative planning.

Reflection and evaluation

We do not wish to imply, by advocating for longer contract periods, that programs should be left to stagnate. They should be regularly reviewed and adjusted to reflect changing circumstances and service delivery, not to mention changes in government and the policy landscape which can have a significant impact on program delivery.

Currently CSOs are generally expected to deliver a program consistently throughout the duration of the grant, and there is generally no allowance made for reflective practice, developmental evaluation or adaptation. As a result, funded programs may be failing to achieve outcomes, reach intended cohorts or deliver improved outcomes however the ability of CSOs to make changes is limited. Constraining CSOs to deliver the same program in year one as year five does not reflect best practice in service delivery. It also does not allow for innovative solutions which respond to identified unmet needs or different challenges within the community.

Grant programs and contracts should be structured on the basis that CSOs are a valued partner and provide flexibility to allow the service provider to adjust program delivery as they see fit. This does not mean that adjustments should occur without adequate oversight but that true partnerships are based on mutual trust. It also allows programs to grow and develop organically through ongoing learning and adjustment. By limiting this reflection to the conclusion of a grant program results in a missed opportunity for improvement.

In order to achieve this, we believe that the Australian Government review the recommendations provided by the Possibility Partnership and the five levers presented to understand and change complex social systems. This includes considering purpose, power, people, relationships and structures to transform the engagement between the Australian Government, grant providers, CSOs and individuals and groups within communities.

- **Recommendation:** That grant programs and contracts include funding for reflective practice and evaluation and the flexibility for service providers to adjust program delivery accordingly.

Reflective practice with communities

As previously discussed, longer grant terms should not occur at the expense of reflective practice and ongoing improvement. Equally, grant agreements do not currently allow providers to engage in co-design and consultation with communities.

Grant agreements should include funding for CSOs to engage in reflective activities with the communities they serve during program delivery. This should be seeking to answer questions about if the program is meeting their needs, if there are cohorts facing barriers to accessing the program and how it can be improved. There is an inherent risk that without this engagement, service providers are delivering programs which do not reflect the needs and preferences of the community.

These reflective activities must be built into grant funding to improve program design and delivery and outcomes for communities more generally. As such we echo the recommendation in Area 2 to fund co-design and consultation activities.

Area 4: Ensuring grant funding flows to a greater diversity of CSOs

Current tendering processes create competition between CSOs for grant funding and inhibit meaningful collaboration across the sector. CSOs are required to compete with other providers for grant funding, which is inconsistent with expectation of co-designing and developing innovative solutions to community disadvantage once programs are operational. In doing so, the strengths within the sector are siloed within separate organisations and not used to grow the capability of the sector as a whole. We also note that tendering is both resource intensive as an activity, and tends to encourage competition on price. Both reduces the resources available to CSOs, most of which do not have access to significant financial capital to begin with, to engage in innovation and codesign, both of which require substantial capacity and capability.

Flexibility of grant applications

As a large provider of funded services, Uniting has the capacity to engage in grant application and acquittal processes through our existing infrastructure. This is a luxury not afforded to smaller service providers who are required to expend resources in developing grant applications which can be onerous and complex.

We believe that smaller CSOs should be provided with flexible options for grant applications. This is particularly important for Aboriginal Community Controlled Organisations, which have an essential role to play in overcoming disadvantage in First Nations communities.

Recently the NSW Department of Communities and Justice trialled an alternative application process for smaller organisations tendering for a Youth on Track contract. This allowed organisations to participate in a structured interview with the Department rather than providing written content to reduce the burden on providers. We believe that this demonstrates one possible alternative approach that could be used to facilitate the involvement of smaller organisations by minimizing the burden presented by the application and tender process.

- **Recommendation:** That grant tendering processes include alternative application options for smaller organisations to reduce barriers to accessing grants.

Collaboration across the sector

We welcome the recognition within the Issues Paper that larger CSOs have a role to play in supporting smaller organisations. We believe that collaborative practice across the

sector is critical to ensuring that program delivery reflects evidence-based practice and achieves the best outcomes for the community.

The current competitive grant environment inhibits the ability of CSOs to work collaboratively. There is little incentive to do so, particularly where grant agreements do not provide funding for cross-sector work. We suspect that the Australian Government expects that this is occurring naturally throughout the sector however this is not always the case. We believe that the Australian Government should adopt a co-leadership approach which aims to facilitate connections between CSOs. This should include enabling grant processes which provide adequate funding to explore collaborative ways of working.

For example, in the Counselling and Mediation space one option would be to support a smaller provider to seek support from a larger provider for clinical supervision services for frontline staff. Clinical supervision is a critical aspect of service delivery in this space which can be challenging for service providers in smaller organisations with fewer staff. This could also include working across organisations to co-deliver professional development by pooling resources and allowing staff from across participating organisations to attend. In doing so, this would lessen the burden on smaller service providers and enhance connections across the sector.

Alternatively, the Australian Government could consider mechanisms for supporting secondments between organisations to allow staff to undertake placements in a different setting to share learnings. This could include facilitating secondments to establish or develop programs to allow smaller organisations to benefit from the expertise of larger organisations during the intensive period at the start of program delivery. The larger organisation would equally benefit from the experience of a staff member working in a smaller provider where services may be delivered differently.

Co-locating services across grant programs, service systems and organisations would also allow for more innovative solutions and increase the efficiency of grant programs. For example, allowing a CSO to establish a grant program within services or facilities managed by another CSOs. This would be particularly beneficial for smaller providers with fewer resources.

Integrated child and family centres (hubs) provide an example of how this can be achieved. These hubs support children and their families who are experiencing vulnerability by bringing together high-quality early childhood education programs, multi-disciplinary support teams, health and family services to provide a holistic response to the needs of children and families. They are also a social hub where families with young children can go to meet and connect with other local families and build their social support networks.

Hubs can be delivered alongside other services such as in early learning centres, health clinics and other community-based locations. The Deloitte Access Economics report *Exploring need and funding models for a national approach to integrated child and family centres*, commissioned by Social Ventures Australia provides models for how this can be funded.

We support the development of the Aboriginal Community-Controlled Organisations and believe that ideas like those outlined above would support capacity building within the sector. We would welcome opportunities to contribute to collaborative information sharing and ways of working to support the capacity of ACCOs to deliver services for First Nations communities.

We believe that grant process represents an important opportunity to invest directly in ACCOs and build the capacity of the sector to support the self-determination of First Nations people. Grant providers should take targeted action to invite ACCOs to participate in the grant process and provide specific funding streams which are specific to the sector. We also note with approval emerging practice in some commissioning bodies, of developing new ways of conducting tender processes in order to overcome procedural barriers to participation by ACCOs (e.g. involving interviews and more active partnership between government and interested parties at the tender stage)

- **Recommendation:** That the Australian Government consider innovative ways of facilitating and supporting collaboration such as secondments, cross-organisation supervision, shared professional development and co-location of grant programs.
- **Recommendation:** That grant agreements include funding and flexibility to allow organisations to work collaboratively to deliver services.

Area 5: Partnering with trusted community organisations with strong local links

We support the commitment from the Australian Government to fund place-based approaches which allow communities to identify and deliver solutions which meet their needs. We commend the Australian Government on its investment in place-based funding in the recent Federal Budget. This investment will empower and build the capacity of communities to improve outcomes and create long-term change.

We endorse the submissions on these issues of the Stronger Communities Alliance and The Possibility Partnership.

Conclusion

In conclusion, we welcome the release of the Issues Paper and believe that it represents an opportunity to evaluate ways of working between the community sector and government. The community sector plays a critical role in supporting communities across Australia to receive services which meet their needs and improve outcomes.

We encourage the Australian Government to consider the recommendations as provided in this paper which are informed by our extensive experience in grant management and delivery across a variety of services and settings. We would welcome any opportunity to further share our learnings and examples of our experiences if this would assist the Department.