Community Sector Public Consultation

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To Whom it May Concern

DSS Stronger, More Diverse and Independent Sector Submission

Thank you for the opportunity to share our views on how the Department of Social Services can support a stronger, more diverse and independent community sector.

I am the Executive Officer of Community Information & Support Victoria. CISVic is the peak body representing 55 local community information and support services across 64 sites in Victoria. We are currently funded to deliver three Department of Social Services programs – Emergency Relief (ER), Commonwealth Financial Counselling (CFC) and a newly announced contract, Strong and Resilient Communities Volunteering, Second Tranche (SARC).

Our member agencies provide vital support to vulnerable people needing help with a range of personal and financial matters. They are deeply embedded in their communities and are trusted and welcoming places where people can seek help. Importantly, our member agencies are often the 'first port of call' for people who don't know what is available.

The DSS funding we receive enables us to deliver aid to people in financial hardship (ER), assistance to address financial problems, make informed choices and build longer-term capability (CFC), and recruit and support our crucial volunteer workforce (SARC).

In recent times, the demand for Community Information and Support services has escalated. This is due to a range of factors, but paramount is the rising cost of living. Too many people just don't have enough income to cover the basics like housing, food and utilities, and they come to our member agencies for help. More and more, these are people who have never accessed support services before.

We have taken the opportunity to provide feedback on the five focus areas outlined in the issues paper. Our responses can be found in this document, immediately following this letter.

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Helping local communities

We recognise and value our existing funding arrangements and working relationship with DSS and anticipate that this process will build an even stronger, more diverse and independent community sector.

Kind Regards

Executive Officer

Submission to DSS Stronger, More Diverse and Independent Sector Issues Paper

6 November, 2023

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

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

CISVic believes that a meaningful working partnership is essential to achieving outcomes for Australians being supported by the community sector, and service delivery organisations themselves. A partnership between CSOs and government would ideally embrace principles of authentic co-design. Both government and the sector would work closely from the outset of any program or initiative to ensure that feedback from CSOs and service users is acknowledged and visibly integrated into programs.

For this to be effective, CISVic recommends:

- Regular consultation: Establishing continuous dialogue through regular meetings, workshops and forums where CSOs can share insights directly with policy makers.

- Joint planning and evaluation: outcomes, indicators and evaluation methods to measure the efficacy of programs should be set collaboratively between government and CSOs.

- Improved transparency in decision-making: sharing how decisions were made, which feedback was incorporated, and why certain feedback may not have been included in final decisions.

- Respect and recognition: an improved working relationship should acknowledge the expertise and experience of frontline CSOs and respect their workload by minimising last-minute or unreasonable timeframes for requests for information.

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?

CISVic believes that technology can be one helpful tool in improving the collaborative relationship between CSOs and government. However, it should not be considered as a substitute for other engagement strategies.

Helping local communities

Currently, DSS and other departments across multiple levels of government provide and request information through a wide range of platforms and formats. This administrative burden requires time and resources to meet funding requirements or respond to queries from Departments. This could be partially resolved through an integrated platform to streamline grant applications and reporting.

However, CISVic also finds immense value in a person-centred working relationship with DSS. We appreciate being able to pick up the phone and ask questions of Departments and vice-versa. However, we have found that working relationship has been impacted by high staff turnover, and requests for data with a very short window.

CISVic appreciates that a technological approach would ease the administrative burden of reporting and information sharing. However, additional tools to maintain an effective working relationship like briefings and even phone calls would also be appreciated.

Finally, we reflect positively on the introduction of the state-based ER Sub-Committee's during COVID, where DSS and key providers met regularly to discuss data, emerging issues and share news and information. We recommend the re-activation and continuation of such meetings to facilitate strong and effective communication between DSS and its various funded agencies.

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?

CISVic supports improved collaboration with the community sector in designing programs, however, recognises that sharing our knowledge and experience in service delivery can come at an organisational cost. Participating in program design requires a time investment of an already stretched workforce, creating an additional burden on service delivery. As such, CISVic recommends the following measures:

- Engagement and policy as core funding: Core funding should include adequate funding for organisations to undertake the research, analysis and engagement required to meaningfully participate in co-design activities.

- Flexible methods of engagement: CISVic recommends DSS consider multiple avenues of participating in co-design activities including surveys, structured workshops, focus groups and virtual engagement methods. Offering various methods would improve accessibility of participation, especially for staff members with disabilities, caring responsibilities, or those based in rural or regional locations.

- Comprehensive Feedback: ensuring participants receive feedback on their contributions, including explanations on why certain decisions were not accepted is a step to meaningfully recognise CSO's contributions and knowledge.

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

What would adequate and flexible funding look like?

CISVic believes that adequate and flexible funding is essential to securing baseline service delivery while improving capacity for innovation and response to fluctuating needs within the community. The following elements are required for adequate and flexible funding:

1. Multi-year core operational funding – provision of multi-year grants with consolidated reporting would provide centres with the security to maintain staff, build relationships and improve their services over time.
2. Funding to build capacity – In order to respond to emerging community needs and fluctuating service demands, funding should be provided to build organisational capacity, or even deliver pilot programs. By separating this funding from the core, multiyear funding, organisations have greater security to adapt to community needs and trial service delivery methods that may otherwise go untested in local Australian contexts.
3. Inclusive and participatory program design – In addition to flexible models of funding, CISVic believes that co-design processes to develop funding models should be as accessible as possible to ensure that people varying experiences of community service organisations can participate equally.

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

CISVic receives funding from DSS through the Emergency Relief, Commonwealth Financial Counselling and just announced Strong and Resilient Communities Volunteering, Second Tranche (SARC) programs. This financial support is essential to maintaining CISVic's services to the Victorian community. However, there are several costs associated with maintaining our operations, training, and adhering to grant funding requirements that are not reflected in the funding allocation. These items include:

1. Volunteer management in the ER program – CSOs are reliant on volunteers to deliver services to the community however, their expertise and hours do not come at zero cost to organisations. CSOs take on a range of costs associated with managing volunteers including police checks, working with children checks, and the staffing costs associated with training and managing volunteers. These costs are currently not reflected in the Emergency Relief program, placing additional financial burden on CSOs.
2. Compliance and reporting – adhering to the regulatory requirements of grants, gathering necessary data and preparing reports involves significant staff time and expertise. Current funding rarely covers the full extent of this work.
3. Utilities and maintenance– Keeping our physical locations operational involves costs including rent, utilities and maintenance costs. These are essential for providing a community service., and safe and welcoming environment for staff, volunteers and members of the public.
4. Technology and infrastructure – When collecting sensitive information to support Victorians, robust and secure IT systems are essential to preserving their security. Ongoing costs include provision of computers for staff and volunteer use, maintenance of secure software and maintaining a web presence for those turning to the internet to find help.
5. Professional development – Continuous staff training ensures high-quality service delivery. Investment in professional development is a recurring need that enhances our organisation's capability and adaptability.

6. Contingency and Future Planning – the sudden rise in demand throughout the pandemic reminded our organisation of the importance of future planning and strategy for unforeseen events. Planning is essential for organisational resilience and flexibility but, not accounted for in current grant offerings.

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

Rising costs have a multifaceted impact on service delivery for CISVic.

- Increased wages mean we pay more to maintain staff however, being a female-dominated workforce, we are supportive of measures to ensure women are paid appropriately for the important work they do.

- An increase in costs to deliver services tends to also generate an increase in service demand.

- Long-term sustainability of the organisation can be compromised.

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

CISVic has received both supplementation and indexation payments from DSS, and appreciates that the government recognises and has committed to adjusting funding in line with increased costs. There has been a lack of clarity regarding the reasoning behind some recent supplementation payments, whereas additional funding granted over recent years was directly related to COVID.

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

Streamlining grant application and reporting processes would reduce the administrative burden on our organisations and improve our capacity to focus on service delivery. To achieve this, CISVic recommends DSS considers the following:

1. Standardised and centralised reporting
2. Multi-year funding requirements
3. Training and support
4. Feedback mechanisms

Focus Area 3: Providing longer grant agreement terms.

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

Longer term funding certainty allows for better strategic planning, program development, staff security and longer time frames to measure the efficacy of programs. As such, CISVic recommends DSS provides a minimum of five-year contracts or, where possible, ongoing core funding.

Our experience with current funding timeframes illustrates the challenges posed by short-term agreements. For example, our initial Emergency Relief contract spanned from March 2015 to June 2017

followed by successive extensions – July 2017 to June 2018, then June 2018 to December 2018 – creating a pattern of uncertainty. This pattern has continued with our contract allocated in 2019 to June 2023 being extended again to 2025.

Similarly, our Financial Counselling contract which began in January 2019 and was set to expire in June 2023 has only recently been extended to June 2025. Such extensions, while certainly welcome, do not alleviate the fundamental issue of short-term funding security. Each renewal cycle brings with it an undercurrent of uncertainty that impacts our capacity to retain skilled staff, make long-term commitments to our clients, and plan for the future.

Securing longer-term funding agreements for at least five years – or ideally, transitioning to ongoing core funding models – would signal a commitment to the community services sector. It would provide organisations like ours with the confidence to invest in our workforce, reduce employed insecurity and enhance our ability to deliver high-quality and reliable services to those in need.

What timeframes should the government aim for, at a minimum, to provide final outcomes on grant variations/extensions before the current grant ceases?

A three to six month timeframe would be preferred, to best allow us to retain staff in related programs, and plan for ongoing delivery.

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

Current funding models primarily support service delivery with limited scope for innovation. While innovation is important for sector growth, it is vital to recognise that the pursuit of innovation for its own sake can inadvertently undermine well-established services that have consistently demonstrated effectiveness.

CISVic recommends that to improve sector innovation, core funding should not be linked to KPIs related to innovation. This will secure the uninterrupted delivery of core services. However, DSS could consider separate innovative grants, or flexibility within a portion of grants to develop pilot programs with appropriate evaluation mechanisms. What flexibility is required by CSOs acquittal processes to support and encourage sector innovation?

Each month we upload our service delivery data into the DEX portal in the required format. Although no longer required, we still use the 'Insights Report' format to provide the Department with additional information and commentary about our day-to-day service delivery, emerging issues, good news stories, innovations etc.

The current financial acquittal processes for the ER and CFC programs simply requires confirmation that all funds have been fully expended, and if not, why not.

 DSS does not provide the sector with broad feedback or analysis of the overarching DEX data, nor share any case studies, insights or examples of innovative practice with the funded agencies. We recommend they do so, demonstrating an interest and commitment to promoting and encouraging sector innovation.

How can the government improve the variation processes with consideration that CSOs must demonstrate alignment with the grant agreement and provide evidence of value-for-money outcomes?

Government can improve the variation process for grant agreements with three key elements, effective communication, transition support and collaborative planning. Variations to contracts, such as the introduction of requirements for Reconciliation Action Plans or other new criteria, need to be communicated clearly and with ample lead time. This would allow CSOs to understand the new expectations and to prepare accordingly. In our experience, changes have often been communicated without sufficient notice or clarity, making it difficult to plan for and integrate these changes seamlessly into our operations.

Secondly, transition support should be provided. Recognising that new requirements can pose resource challenges; the government should consider implementing support mechanisms for CSOs. This could take the form of transition grants, expert guidance, or temporary staffing support to assist with the implementation of new requirements. Such support recognises the reality that adapting to new conditions may divert resources from planning or service deliver and helps mitigate this by providing targeted assistance.

Finally, collaborative planning is essential for aligning expectations and capabilities. The government could better collaborate with and seek feedback from CSOs regarding possible grant variations. By consulting with CSOs on the practical implications of these changes, DSS can better understand the support needed and understand what variations would be feasible without impacting service delivery.

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

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

Open tender rounds provide the opportunity for new and emerging organisations to access funding, however, we recognise that they may lack the demonstrated capacity and experience required to meet the tender criteria. DSS could promote and actively support collaboration and partnerships by creating networking opportunities and financially supporting the development of consortia models.

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

We are not aware of any DSS programs, support and information available for smaller CSOs to build the capacity of organisations. There a range of related short training programs and webinars run at various times by the likes of Pro Bono Australia. Peak bodies and their networks do provide the opportunity to member agencies to share their learning and experiences, which in turn, can help build the capacity of

other members. We have seen this through experience in our role as a peak body – when various member agencies have shared tools and resources to enhance operation and service-related activities.

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

CISVic believes that larger CSOs, where possible and resourced to, can play a vital role in sharing their knowledge, experience and resources with smaller CSOs. Such collaboration improves the sustainability of the sector.

This approach is fundamental to the work of CISVic. As a peak body for the community information and support sector, we provide a range of services to strengthen and support our 55 members, including advocacy to all levels of government, sharing knowledge, providing training and providing insurance coverage.

In some cases, CISVic has stepped in to manage the operations of member agencies where they are struggling to stay afloat. This has been done in a range of ways:

- Sharing templates and resources (eg., policies and procedures)
- Facilitating partnership or merger conversations between local services
- Co-opting onto the Committee of Management or Board to provide guidance and share expertise
- Take- over the governance. CISVic has taken over the management of three independent member agencies who were are risk of closure and now operates them as branches.
- We have received resounding feedback from our member organisations that this support is essential to securing their services, especially where they do not have the resources to do so internally. For example, one organisation said, "CISVic provides a lot of guidance and helpful advice. We are a 100% volunteer agency. It is great to be able to communicate with knowledgeable people when we have sometime to work out."

CISVic facilitates a consortia of 24 individual agencies to apply for and distribute funding from state and federal governments. This collaboration means that smaller and volunteer led organisations can access funding opportunities they otherwise would not have had access to, and information sharing and collaboration with DSS is streamlined, decreasing the workload expected of the Department.

However, CISVic recognises that this work takes significant resourcing both of CISVic and the organisations we collaborate with, that is not funded through existing DSS grants programs.

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

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

CISVic member agencies are proudly place-based services, and we believe this is an important model that provides support tailored to meet local community needs. Placed-based funding provides funding that fits community's socio-economic status, rather than the profile of a CSO. Furthermore, the focus on local community allows CSOs to leverage their local knowledge and relationships to provide support that is wholly integrated into a community.

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

Initially, the ER contracts prescribed the level of funding each agency had been allocated for each area (specifically, an SA4). If an agency received funding for multiple SA4s, a percentage was allocated against each region, identifying how much of the grant should be applied there.

We understood that this practice ensured that the department was allocating funding based on ABS data to areas reflecting their SEIFA indexation (level of disadvantage) and viewed this as an equitable and fair process ensuring local communities were adequately supported. Subsequent contracts removed this allocation, providing flexibility to agencies to distribute their funding as they saw fit. Our concern has been that funded agencies could all be loading up the same areas of high need, and leaving even less for areas of lower need.