

Submitted via email: CSAGSecretariat@dss.gov.au

Families Australia appreciates the opportunity to contribute comment to *The stronger, more diverse and independent community sector issues paper*.

Established in 2001 Families Australia is a national, peak, member-based, not-for-profit peak body that is committed to enhancing the wellbeing of all families, especially those experiencing the greatest vulnerability. We work to build a nation in which all families, irrespective of their form, enjoy the greatest possible wellbeing.

We believe that this objective is advanced by better protecting and valuing children, by celebrating families and supporting the most vulnerable amongst them, and by making genuine and lasting improvements to the wellbeing of Aboriginal and Torres Strait Islander peoples.

We partner with government, service delivery organisations and researchers to suggest practical and innovative policy solutions to problems faced by Australian families, convene the National Coalition on Child Safety and Wellbeing in support of Safe and Supported: National Framework for Protecting Australia's Children, and facilitate National Families Week.

Families Australia's 650 general and associate members operate in all states and territories across the country. We deeply value the experience, knowledge and expertise of our members, and appreciate the member contributions made to the development of this submission.

In supporting member organisations to prepare their own responses to *The stronger, more diverse and independent community sector issues paper*, Families Australia facilitated an online members forum on Wednesday 18 October 2023. While member organisations indicated that they would aim to provide further comment in their respective individual responses, a summary of the key themes raised by members and stakeholders in the forum are outlined below:

A true partnership approach

- a true partnership approach between service providers and DSS is required: both pre-contract and during the life of the grant.
- while a partnership approach is present in current agreements, many felt that the current approach was weighted more towards administration and compliance rather than adaptation and innovation in design and delivery.
- to achieve the best outcomes, it is important for service providers and DSS representatives to 'sit down together' and examine the evidence and feedback (e.g. the representations communities are making, learnings that are happening and what the outcomes suggest). And then, if required, to further discuss what scope there may be for flexibility around funding allocation.

Length of contracts

- contracts should ideally be three to five years in length, at minimum, with an option for extension for up to 5 years (and include set evaluation and review points).
- shorter contracts (e.g. 12 months duration) present risks including:
 - higher staff turnover;
 - disruption of service continuity; and
 - inadequate time for service providers to build trust with communities/ gain traction on projects.
- one off grants do not allow for sustainable outcomes: these should only be considered under limited and specific circumstances (e.g. innovation, response to natural disasters).

Funding sufficiency

- grants need to be reflective of the true costs and challenges of running programs and services.
- examples of additional costs incurred by organisations delivering contracts which are not adequately covered by the funding envelope include:
 - administration costs - a solution may be to provide a specific additional allocation for administration e.g. 20% of the grant amount;
 - technology – many organisations face pressure in keeping up with technological advances: costs incurred include acquisition costs, upkeep and related staff training and development;
 - general staff learning and development (e.g. while concepts like program logic, and theory of change are included in the latest submissions, not all organisations have had the chance to engage with those concepts and that need not be a limiting factor in being awarded grants).
 - time taken to build trust and relationships with communities (e.g. even where codesign is a grant requirement often the funding allocated does not account for the time and resources required to set up lived experience networks and adhere to frameworks, etc.); and
 - increased staffing and other costs - the current approach to funding increases based on CPI is insufficient. There needs to be a better formula which reflects a broader range of factors impacting organisations. For example:
 - Community Sector Indexation (CSI) models;
 - CPI 'Plus' models where a percentage figure beyond standard CPI is added to the CPI rate as a loading; and
 - indexation that gives greater weighting to Wage Price components within the indexation formula itselfare approaches that better reflect costs being faced by funded organisations compared to that of the standard CPI formula.
 - indexation should be passed on in full – use of efficiency dividends (and the like) that effectively reduce the level of funding being passed onto organisations, must not be used.

Responsiveness, flexibility, diversity of provider bases

- if existing providers (with established relationships within a community) are achieving the required outcomes, emphasis could be placed on 'what is working' rather than what is 'new'. While the sector appreciates the need to modify the service mix over time, change largely solely for the sake of change, is counter intuitive and can be disruptive to community members and organisations.
- funding processes need to recognise that existing providers can innovate, respond be nimble and adjust.
- Re-allocation of unspent funds: Could unspent funding be redirected so that organisations- both established and new - can bid for the money to use for innovation projects? (Smaller funding amounts under \$100K could be direct Approach to Market).

Notice period for recommissioning

- An adequate notice period for recommissioning is vital for staff retention and service continuity.
- A minimum of one year's notice of recommissioning is required to allow for service providers to meet with DSS, to undertake program evaluation and to course-correct if needed.
- At least a year out from the end of a contract, services should expect to be issued notification of the intention to change contract arrangements within a defined period. A realistic timeline would be as follows:
 - 12 months out - having early discussions with DSS about changing the program in a years' time.
 - at least six months prior to new arrangements coming into effect, these new arrangements must be settled (e.g. what the new arrangements will look like on 1 July, needs to be determined – and communicated to relevant parties by 1 January): and

- notice periods need to be incorporated within Program Guidelines, written into funding agreements and abided-by by all parties.

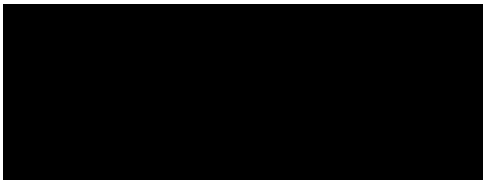
Place-based funding approaches

- There is a need for more rigor around the definition of placed-based (such as, for example, can this include virtual communities?).
- Geographic, place-based arrangements are not always sufficiently granular (e.g. it might be more appropriate to consider the family unit rather than a place).
- There is a need for improved mapping and coordination of state, federal, corporate and philanthropic funding to avoid service duplication in certain locations – placed base funding is unlikely to be mapped to a single entity.

Families Australia would welcome the opportunity to discuss the summary of matters raised in our members forum with DSS in greater detail.

Thank you for the opportunity to comment on the discussion paper.

Sincerely,



CEO

7 November 2023

Primary contact



Senior Policy Officer

