



“A stronger, more diverse and independent community sector”

Response to Issues Paper

### **About Community Employers WA**

Community Employers WA (CEWA) is a purely member funded organization, proudly representing 175 not-for-profit organisations delivering vital community services in Western Australia. CEWA is committed to working collaboratively with both the state and federal government, to ensure that community services are appropriately designed, funded and delivered.

CEWA is an active stakeholder in the WA Government State Commissioning Strategy for Community Services 2022, a strategy that “aims to change the way government delivers community services in Western Australia... to achieve a holistic and sustainable community services system through a commissioning approach”<sup>1</sup>, and co-chairs the Delivering Community Services in Partnership Working Group, and Commissioning Working Group.

CEWA has prepared some short comments after consulting with its members that the Department and Community Services Advisory Group may find of some value.

### **Grants vs Procurement**

CEWA notes that while the Department recognises two primary forms of funding the activities of the sector (grants versus procurement), and in the issues paper states that “grants are generally the most appropriate financial arrangement for government to use” but provides no justification why that is the case. While it appears beyond the remit of the consultation to re-consider this position, there are significant benefits to taking a procurement approach rather than that of a grant maker. Put simply, to solve long term social issues requires consistent, evidence and outcomes-based funding that is appropriate for place. Grants processes are too volatile and subject to political pressure, and this approach should be questioned and placed under review.

### **Grant arrangements**

Notwithstanding the above, to make grant arrangements as workable as possible the following principles should be applied:

Grant lengths should be at least 5 years, with the option to renew is the program is successful. Long-term grants are required to enable orderly planning for the service, its organisation and for its staff. Recent changes to the *Fair Work Act* limiting the use of fixed-term contracts requires redundancy risk to be managed more carefully than before.

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<sup>1</sup> <https://www.wa.gov.au/government/publications/state-commissioning-strategy-community-services-2022>

The grant should cover the full-service cost, including indexation. Expectations to find “top up” funding from other sources is disruptive, complicated, and unnecessary. CEWA welcomes ongoing commentary from Minister Rishworth around funding the true cost of community services, and recognises the good work in amending indexation rates in the recent budget. That said, indexation methodology should be in the public realm for the purposes of transparency and to enable organisations to attempt to forecast indexation.

Long-term grant recipients should be recognised as preferred service providers and not have to compete in open tenders. This is especially true in remote and regional areas of Western Australia where there is often only one provider able to service an area, due to logistics, infrastructure, and most importantly, credibility and relationships in the local community that can take years, if not decades, to develop. This is particularly important in the context of Closing the Gap targets.

There should be a requirement for a minimum of 6 months for any Department initiated variations or extensions of contracts. Any less represents significant risks to an organisation. Given the complexity of gaining approvals for such actions, planning for variations or extensions should commence 12 months prior.

### **Program design**

A needs analysis should be completed prior to designing grants, that takes into account local community need, and the Department should work closely with their state and territory counterparts to share data and to understand where resources are best utilised.

The Department should recognise that some of the best service design expertise exists in the community services sector and should draw on that expertise in a more structured and deliberate way. This can include iterative improvements to current grants programs as well as new program design, data sharing, analytics and outcomes measurement.

Ultimately, the informational and relational distance between government decision makers and the community services sector needs to be decreased in order to have the best chance of addressing the complex issues that our sector, through government support, is here to address.

To discuss this submission further, please do not hesitate to contact:

██████████, Executive Director

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