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BERG Not-for-Profit consultation
c/- Community Cohesion Branch
Department of Social Services
GPO Box 9820
Canberra, ACT 2601

By email: BERGSecretariat@dss.gov.au

20 December 2023

Dear Committee Secretary,

> **Re:** **Submission in response to the Not-for- Profit Sector Development Blueprint Issues Paper**

We thank the Blueprint Expert Reference Group (BERG) for its work on the Issues Paper and appreciate the opportunity to comment.

As the Issue Paper notes, this is an extremely busy time in the review and reform of policy related to the not-for-profit sector. The Department of Social Security (DSS) recently conducted consultations on another, complimentary Issues paper – *A stronger, more diverse and independent community sector.* FamilyCare participated in the preparation of a joint submission with colleague agencies from the Community and Practice network (CaPn). We note those comments will be taken into account, so will not restate them, other than to provide emphasis where appropriate.

In the time available, we have decided to focus on five of the priorities identified in the Issues Paper:

- Measurement, outcomes and quality of services;
- Policy, advocacy, communication and engagement;
- Philanthropy and Volunteering;
- Governance, organisation and legal environment; and
- Information Technology, communication and marketing.

• Shepparton • Seymour • Cobram • Wallan • Kinglake • Alexandra •

The attachment sets out some preliminary views. FamilyCare would be happy to respond to any questions the BERG or DSS might have, or to be involved in more detailed discussions as our capacity permits.

At a personal level, I have worked in the not-for-profit sector for almost 30 years. In that time, the relationship between government and the sector has undergone significant change, not always positive, or sustained and often in surges, rather than feeling calm and considered. It is encouraging that the Issues Paper acknowledges those permutations over time and aspires to deliver improvements that are sustainable, taking a ten-year view in the design of a Blueprint.

FamilyCare looks forward to the continued evolution of this important conversation.

Yours sincerely,

David Tennant
Chief Executive Officer

Responses to a selection of the focus areas.

As noted in the cover letter, our submission focuses on a selection of the focus areas identified in the Issues Paper. There is no implication those not selected are unimportant, just a recognition of time limitations.

3. Measurement, outcomes and quality of services

FamilyCare has invested heavily in developing systems to ensure continuous improvement and for measuring the effectiveness of the services we provide. These are ongoing processes, rather than a moment of arrival or completion. We will expand on compliance questions under the **Governance, organisation and legal environment** section.

3.1.1 What core principles of service design and delivery might a sector Blueprint commit to?

FamilyCare supports the development of core principles of service design and delivery. A number of examples already exist, across a range of service and quality standards, at different levels of government, or specific to areas of service focus.

Service user voice and choice is referred to in the Issues Paper and is an obvious selection amongst the core principles. So too is a commitment to ensuring safety and wellbeing, across service users and staff and volunteers.

Less well developed, or perhaps obscured by reforms associated with marketisation, is an appreciation of and respect for what motivates the NFP sector, as distinct from for-profit activities. Those differences are important, prioritising public good over commercial gain. A core design and delivery principle that recognised the unique value of NFPs might include commitments to

- addressing vulnerability and disadvantage;
- ensuring services and premises in which services are delivered, prioritise safety and wellbeing; and
- not doing harm.

3.1.2 What good examples of codesign have you been involved in which could benefit sector practices? Why do you think they have worked?

These are difficult questions to engage with, because 'codesign' has been applied and measured in many different ways. On occasions, the term has been coopted to imply choice exists, where the most important choice about whether to participate or not, has effectively been removed.

A good example is the development and more recent review of compulsory income management applied to categories of social security benefits, in defined locations. Codesign has occasionally been used in this context to describe how community views have been gathered in places where compulsory income management has been applied. Often however, the voices of the people required to participate and whose benefit incomes are compulsorily controlled, are the least likely to be heard, or excluded altogether.

FamilyCare has direct experience of some of the issues associated with the development and operation of income management. The Local Government Area of Greater Shepparton is the only location in Victoria that triggers referral for compulsory income management for a small range of social security benefits, under the Social Security Act.

To reestablish credibility and consistency, it might be useful to develop a framework for understanding and measuring the various permutations of codesign. The framework could incorporate cooperative models from the individual service level, or service cohorts, through to engagement with broader communities and service systems.

From a service construction rather than delivery perspective, a recent codesign process FamilyCare has been involved in and believes worked well, was the creation of the Goulburn Flood Recovery Service.

Coming together to help communities recover.

In October 2022, Victoria experienced a major flood emergency. Communities across the Goulburn Valley, in particular Seymour, Shepparton and Mooroopna, were hard hit, with a significant number of people displaced or suffering loss or damage.

There have been many stories of how communities came together to respond to the flood emergency, getting people to safety and providing essentials until the crisis passed. The stories are similar to those which emerged from other recent natural disasters, including floods in Queensland and NSW earlier in 2022 and the Black Summer bushfires in 2019/20.

As families and communities recover from natural disasters of this type, NFPs frequently play crucial service delivery and support roles. Most jurisdictions have commissioning processes for the rapid build and deployment of recovery services. In Victoria, the main current commissioning body is Emergency Recovery Victoria (ERV) located in the Department of Justice and Community Safety.

The timing of the October 2022 floods presented additional challenges, coming on the back of the COVID19 pandemic. Staffing pressures across the regional community service system were acute. No single agency had the capacity to scale-up a recovery service in the time frame required, without causing additional pressures elsewhere in the support system.

A range of regional service providers came together to tackle the challenge. The result was the Goulburn Flood Recovery Service, a partnership of seven NFPs, with existing resources in the Goulburn Valley. The service was almost fully operational to its required 20 full-time equivalent recovery support workers, supervision, IT and related physical resources, 12 weeks after the flood. Staff across the partnership remained connected to their employer, with FamilyCare as lead responsible for meeting contractual requirements. In a unique twist, additional recruiting allowed applicants to select from any of the seven partner agencies as their employer to which they could return after the Flood Recovery Service was no longer required if ongoing employment was available.

The model has worked because the partners agreed to collaborate, rather than being told to do so. It is being evaluated as an option for future regional emergency responses, which will no doubt be required as the impacts of climate change continue to intensify.

3.1.3 What would an outcomes focused approach look like in your area(s) of work? What would be needed to work towards this and what unanticipated consequences should government and the sector consider?

All of FamilyCare's service activities use some type of outcome monitoring process. The most frequently used tool is a variation of the Outcome Star model, which allows service users and delivery staff to identify goals and record progress over time toward meeting those goals.

There are a number of logistical challenges in outcome measurement, some of which are acknowledged in the Issues Paper. The challenges include training staff and consistency in practice, as well as effective IT resources to collect, record, report and analyse outcomes data.

There is a bigger policy context influencing how outcomes are measured. The prevalence of poverty and disadvantage limits what is possible. The most significant drivers of poverty and disadvantage are structural, especially inadequacies in the social security system.

Addressing the inadequacies remains a work in progress. There have been some welcome improvements to social security policy delivered in 2023, for example in the supports and mutual obligations applying to single mother households. Setting working age social security payments well below the poverty line and threatening the suspension or cancellation of those inadequate payments for not meeting conditionality rules, creates or exacerbates poverty. In addition to the avoidable hardship and stress for benefit recipients, the NFP sector's ability to support sustainable improvement is undermined by policy settings that make day-to-day survival more difficult.

3.1.4 What role(s) should government play in helping NFPs become data capable and informed by evidence.

Most NFPs understand the importance of data and evidence. Many have a sophisticated and evolving understanding of how to interpret and use both. The capacity limitations are mostly linked to the resources available, especially with the increasing tendency for data and evidence to be unhelpfully, even inappropriately commercialised. We believe Government should play an active role in building capacity, as a funder but also as a custodian for information that should be freely and publicly available.

There has also been a drift to reliance on expensive, evidence-based programs from overseas, that are subject to restrictive licensing and fidelity rules. There are inconsistent approaches to ensuring imported programs are subject to adequate testing of their ethics and efficacy in an Australian context.

We believe it would be better to invest more in the development of an Australian evidence base, suited to a range of different needs, contexts and locations. Where the investment is facilitated by public funding, sharing should be an expectation, with appropriate attribution. Our current system encourages the commodification of evidence, to advantage those who seek to assert ownership over it. Appropriate protection of Intellectual Property in the use or application of evidence should not result in material that might enhance public benefit being locked away behind paywalls.

Finally, we need a more respectful approach to valuing existing service expertise that may have provided effective support for many years but lacks a formally recognised evidence base. Creating and maintaining community support for services, is in itself a form of evidence.

3.1.5 Could common resources or platforms support the technical aspects of outcome measurement? What might these look like?

Conceptually yes and most likely through the development of online, interactive tools. How this might be achieved requires expertise we do not have. As a user, or beneficiary of being able to access common, online resources or platforms, FamilyCare would welcome some key features, including:

- Simplicity of access and use for service staff, through a variety of IT equipment, particularly mobile technology;
- For management and analysis purposes, easy access to our service data, in real time and comparable across activities and time periods;
- Compatibility across platforms; and
- Confidence in the security features applicable to sensitive identifying information, including the ability to appropriately block access and / or deidentify.

The challenges associated with working across levels of government are well recognised. A trusted and independent data access and sharing platform would be incredibly useful. This could be included in the roles played by the new Nexus Centre, which has also been the subject of recent consultation.

4. Policy, advocacy, communication and engagement

FamilyCare's primary role is to provide services and support. Many of the people who use our services are vulnerable, disadvantaged, or both. It is a privileged position to be invited into the lives of those who access support. It provides a window on need, as well as an opportunity to observe the practical impacts of policy approaches, in reducing or amplifying the underlying causes of need.

We take our responsibility to help give voice to our service users' experiences seriously, reflected in one of FamilyCare's core values:

> **Leadership** *on issues that impact adversely on individuals, families and communities.*

4.1.1. How can the role of advocacy by NFP organisations be better embedded and preserved in policy and legislation?

The most important legal change to support appropriate advocacy by NFPs, would be recognition of its value and importance in funding agreements and relationships. It is important to acknowledge in this context, FamilyCare has never been prevented from making comment on issues of relevance to its service users.

We do not believe that more formal recognition of advocacy would undermine reasonable expectations that agreed levels of service activity and quality are prioritised and met.

4.1.2. What mechanisms are needed so that the expertise of the NFP sector is better used in designing policy and services?

Our cover letter refers to an earlier submission prepared by the Community and Practice network (CaPn) to the DSS Issues Paper - *A stronger, more diverse and independent community sector.* FamilyCare contributed to the CaPn submission, which noted the potential to

enhance the Productivity Commission Act, to ensure the skills and experience of the NFP sector are better acknowledged, encouraged and considered.

There are ways to enhance the approach to consultation that would improve the quality of input. Simple things, like commitments to minimum consultation time frames, would make an enormous difference to the ability of NFPs, their service users and communities, to engage.

As a regional service provider with its base in a community that has been frequently chosen as a trial site for social policy reforms, it is vital that place is afforded adequate priority. Far too often, place-based reform is launched on communities, without any meaningful discussion about the issues to be addressed, the aspirations those communities have and genuine local involvement. Sometimes, there is not even forewarning before trial site selection is announced, which can leave communities confused, embarrassed or antagonistic.

4.1.3. What could NFP organisations and networks be doing better to ensure their systematic advocacy directly involves the people and communities they serve?

Most NFPs already have systems and processes for gathering information about presenting need, as well as feedback from service users reflecting on quality and effectiveness. Relevant standards frameworks are becoming increasingly prescriptive about the form service user input should take. Prescription is not always useful, or welcomed by service users.

FamilyCare participates in a range of networks and conducts a variety of consultative activities, to stay abreast of the views of the communities in which it operates. There are layers of communities within communities and not every view should be afforded the same weight in designing a service, or informing advocacy. The most important views in relation to the effectiveness of a service or policy approach, come from people who are directly impacted.

4.1.4. How could the assets of the sector – for example, the research expertise of larger organisations, including public universities – be better used to build the evidence base for systemic advocacy and reform?

In our view, this is one of the most important questions in the Issues Paper. It would benefit from a dedicated and patient conversation, to allow the range of sector needs, concerns and capacity to be ventilated and considered.

We recommend that the aim should be relevant, shared, accessible and constantly evolving data and evidence, across the various streams of human service delivery in Australia. Achieving that aim will require a broader recognition of the value of information of this type to improve the lives of vulnerable and disadvantaged people and in turn deliver benefit to all.

5. Philanthropy and Volunteering

5.1.1. What policy and regulatory reforms would help increase giving to charities?

FamilyCare has experience of a range of relationships with formal philanthropic funders, which we value greatly. Those relationships do not, nor should they, displace or reduce the responsibilities of governments to set public policy and ensure it is effective and continuously reviewed and improved. As the steward of the tax and transfer system, the Commonwealth Government carries a core responsibility to allocate resources in the public interest, including to ensure appropriate support for vulnerable and disadvantaged people.

Philanthropy and charitable giving is at its best when it bolsters public resourcing, draws attention to emerging areas of need, supports the testing of new approaches, or helps to explain where policy is ineffective. Increased non-government donations to charities to fill gaps created by government withdrawing from its areas of natural responsibility, is less positive.

5.1.2. How can the NFP sector further mobilise and access philanthropy in support of its work?

In a regional context, some of the most important 'philanthropy' comes directly from community. It can take many forms other than financial support – including goods, physical labour, encouragement or citizen advocacy. The value of community support goes well beyond the cash equivalent involved. It has a multiplier effect, that contributes to social capital.

The support can be ongoing, where families, or volunteers including Board members work with charities for extended periods of time. It can also be episodic and is where the most immediate assistance is drawn from in times of emergency or crisis, like the October 2022 floods across FamilyCare's service region.

Government can assist by allowing NFPs to maintain and prioritise connection with community. In the CaPn submission to the earlier DSS paper, the relationship with community is characterised as providing an NFP with its social license to operate.

5.1.3. How can philanthropic and volunteering resources be effectively targeted to community needs?

This works best when organisations are acting in pursuit of their vision and values, rather than creating activities to suit a funding opportunity. Vision and values should be connected to community needs, subject to regular review and reported on locally, as well as to meet formal reporting obligations.

5.1.4. How might the sector adapt to more direct forms of giving and volunteering?

We offer two observations:

- Implicit in our response to 5.1.1, governments should remain the primary funders of human services, especially for vulnerable or disadvantaged people; and
- All financial contributions have the potential to create conflicts that must be declared and appropriately managed.

Further to the second of these points, NFPs should be encouraged to consider the circumstances in which offers to donate or volunteer should be declined.

5.1.5. How should the Not-for-profit Blueprint support the goals and required reforms for the National Strategy for Volunteering?

Although aware of the National Strategy for Volunteering, FamilyCare has not had the capacity to engage with its development. We are pleased to see the process adopts a similar timeline to the proposed Blueprint, encouraging a medium-term approach. We are also supportive of the Focus Areas, Aims and the Strategic Objectives.

The challenges in establishing and maintaining an effective volunteering program, are influenced by the compliance and regulatory environment. The comments under the following

heading **Governance, organisation and legal environment**, apply equally to services involving, or delivered by volunteers.

6. Governance, organisation and legal environment

6.1.1. What might a regulatory framework for the sector that overcomes the complexity of our federation look like?

Australia's NFP regulatory landscape is confusing, duplicative, inefficient and, as a result, often ineffective. NFPs, including the charity sub-sector, invest enormous energy and resources in understanding and complying with their regulatory responsibilities. Continued access to government funding is usually conditional on maintaining compliance, not just with laws but often with detailed standards frameworks.

Australia's federated system contributes to the complexity and inefficiencies. FamilyCare's services are delivered almost exclusively in Victoria. There are however similar, even identical service activities we undertake, that are subject to rules and standards supervised separately by both the Commonwealth and Victorian Governments. The rules can cover largely the same subject matter and be relevant to the same categories of service users, but contain significant differences in evidence, reporting and compliance monitoring requirements. The difference adds cost and complexity, without necessarily adding value. The resources required to meet overlapping or duplicative compliance responsibilities often reduce the volume of services available.

The problems are more acute for organisations that operate across borders, or in multiple jurisdictions.

This issue was raised at a DSS-hosted Blueprint Public Forum on the 29th of November, with a suggestion that we aspire to a single set of regulatory rules and quality standards for the delivery of human services in Australia. The initial response from some Blueprint Expert Reference Group members attending the forum, was that the nature of the federated structure in Australia makes this an unattainable goal. We acknowledge the challenges but believe there are ways to improve on what we have now.

The first important step is to better understand and articulate the layers of regulation, with their points of intersection and overlap. An audit exercise of this type could be undertaken by the Productivity Commission. What we expect an audit would show, are areas of significant regulatory inefficiency, that impede the delivery of effective services.

Second, whilst it may be impractical to ask different levels of government to give up their powers of oversight, especially for activities where they contribute funding and share risk, it may be achievable to develop a system of mutual recognition, where compliance with one regulatory framework can be acknowledged as compliance with others that deal with substantially similar activity. The concept of 'report once, use often', was one of the key aspirations when the ACNC was first developed but is yet to realise its potential within and across regulatory functions.

6.1.2. Are currently available legal structures, governance standards and tax concessions fit for future purpose? How might these be improved or changed?

FamilyCare is aware of and supports the advocacy to improve the legislative framework applying to charities and NFPs in Australia, with leadership provided by groups like Justice Connect.

6.1.3. What does the sector need in its boards to be effective?

FamilyCare has voluntarily adopted compliance with the international governance and management framework ISO 9001:2015. The ISO framework is of great assistance in ensuring our governance approach, including the appointment and activities of Board members, is consistent and effective.

Consistent with comments included in the CaPn submission to the *stronger, more diverse and independent community sector* Issues Paper, rationalising and improving regulation should help to attract and retain Board members. At the moment, community volunteers are required to shoulder a level of responsibility that is unsustainable. That includes Board members in multi-disciplinary agencies being required to submit to duplicative registration processes with different regulators, in relation to similar activities.

The answer to the increasing governance burden, is not in our submission, a move to paying all NFP Board members.

6.1.4. How could regulatory data be better used and shared with the NFP sector and wider public to support future practice?

The ACNC's public register has been, in FamilyCare's view, a resounding success. In its current format, the register can be searched in a variety of useful ways, for example by charity name, type and location. The material collected and shared is useful and largely consistent. In a regulatory lifecycle, the ACNC is still quite new, however the register and associated 'charity tick' is well recognised and utilised.

Without specifying what additional information might be useful to collect and share publicly, we recommend either using the existing ACNC public register, or linking to it.

9. Information Technology, communication and marketing

9.1.1. What standards of digital capability should the sector aim for and how might these be achieved?

The identification of this priority, which did not feature in the *stronger, more diverse and independent community sector* Issues Paper, is welcome. Questions about digital capability have a range of levels, from supporting improvements in appropriate on-line service delivery, to the capacity to gather, store and analyse data.

In relation to data capability, FamilyCare is currently conducting an industry-based PhD project with La Trobe University. A copy of the media release when the project was launched in February 2022, is attached to this submission.

9.1.2. How might the sector aggregate support to maximise the digital capabilities of smaller organisations?

Unfortunately, after a decade of encouraging and in some instances requiring destructive competition across the NFP sector, cooperation and trust is in short supply. Government could assist to rebuild trust and cooperation by investing in genuinely shared resources.

That support could take a variety of forms, for example:

- The creation of an independent brokerage function to seek investment and/or expertise from industry;
- A rethink of the approaches to key regulatory frameworks, like Competition Law and Intellectual Property provided that a public benevolent purpose is established; or
- Incentives for NFPs to share publicly or with each other.

9.1.3. What is needed and what is the sector's role in advocating for digital inclusion and participation of citizens and communities?

The NFP sector carries several responsibilities in advocating for digital inclusion for citizens and communities, including:

- Ensuring there is adequate and reliable access to communications networks, which is particularly challenging in rural, regional and remote locations;
- Demanding telecommunications and other relevant service providers offer products and services that are fair, affordable and accessible for all people, including appropriate payment arrangements for low-income and disadvantaged people; and
- Supporting choice, especially for people who would prefer a physical or face-to-face option, or where service efficacy is enhanced by direct service provision.

Governments have a role as well and must lead by example. It is clear that the service and support available through Services Australia, is often too slow, inadequate, or lacks empathy. These concerns were identified in the findings of the Robodebt Royal Commission and applied to both remote and in-person options.

9.1.4. How can governments streamline digital systems requirements and support efficiencies for NFP providers?

We refer to our comments in response to questions 3.1.3 to 3.1.5.

We also urge governments to invest more time, effort and resources to improve online security both for NFPs and the people who use services offered by NFPs. Governments have encouraged and, in some instances, required people to communicate remotely. There are efficiency gains and cost reductions associated with this encouragement. The reliability of access to quality support and the assurance of privacy for often highly sensitive personal information, has not however improved and in some instances has reduced.

1802/2022

La Trobe partner with FamilyCare

La Trobe University has appointed its first Industry PhD candidate in Shepparton, in partnership with local community care service FamilyCare.

As part of the three-year project, Yvonne Burns will develop a data platform that collects and stores accurate, consistent and reliable data – essential for supporting staff, tailoring services and enhancing client outcomes long-term.

Dr Corina Modderman from the La Trobe Rural Health School said teaming up with a highly respected community-based agency like FamilyCare was a valuable opportunity for both organisations. Dr Modderman will be supervising the three-year project together with Associate Professor Evelien Spelten.

"The Industry PhD program is incredibly rewarding because it gives our researchers an opportunity to address a real-world challenge that is unique to a particular organisation," Dr Modderman said.

"With Yvonne's help, FamilyCare will be well-placed to improve their data collection and evaluation techniques and, ultimately, perform the important work they do in the community to the highest possible standard."

CEO at FamilyCare, David Tennant, said the project will help the organisation realise its vision for strong families and communities.

"The best community service organisations are those whose work is informed by community need. It might seem simple, but gathering consistent, reliable data is always a challenge," Mr Tennant said.

"We're excited to leverage La Trobe's strong research capabilities and resources to develop a really important piece of infrastructure that will help make us more effective at what we do."

Ms Burns is grateful for the opportunity to apply her unique skills and experience to an important local project.

"I have a long history in social work, and am incredibly passionate about transforming the system from the inside out. The aim is to enable FamilyCare staff to see their impact more easily, and tailor their services accordingly," Ms Burns said.

"I can't wait to embark on this wonderful opportunity to make a real difference in the lives of people that rely on these vital services every day."

The Industry PhD has been funded by The Bradshaw Family Research Initiative. The Bradshaw Family are passionate and prominent philanthropists that place value on the local community and its people.

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