



19 December 2022

Blueprint Expert Reference

Dear Blueprint Expert Reference Group,

RE: Developing a Not-for-Profit Sector Development Blueprint

The St Vincent de Paul Society National Council welcomes the opportunity to prepare this submission in response to the Blueprint paper and notes the Department of Social Services (DSS) will refer to our earlier submission in response to the DSS discussion paper, *A stronger, more diverse and independent community sector*, where appropriate.

The Society has assisted the Australian community for almost 170 years. It does this through the work and generosity of its members, volunteers and staff. Assistance provided takes the form of emergency relief and material aid and involves helping people in financial stress with their food, housing (rent), transport, medical, educational and utilities costs. Accommodation is also provided, ranging from short-term, emergency assistance through to transitional and longer-term permanent housing arrangements.

The Society is a member-based, member-driven, national organisation. It draws on ordinary people to walk alongside those in need, offering a hand-up where necessary. All boards and office holders are filled by volunteers. Society employees assist Society members to respond to community need.

The Society at the national and the state and territory levels is an active agent in advocacy work.

Although some of the services and the supports the Society offers draw on funding from government at all levels, it heavily draws on its own finances (retail, fundraising and bequests) to ensure people receive the assistance they need to be active members in their local community. Ensuring the legislative and regulatory environments are supportive of the Society's ability to deliver its mission can sometimes be a challenge.

In this respect, the Society offers a number of suggestions to the Commonwealth Government on how to make some current regulatory obligations less challenging.

This submission summarises feedback from the Society in New South Wales, Victoria, Canberra-Goulburn and Tasmania. Full submissions from New South Wales and Victoria are attached as each contains more information than can be summarised here. Responses have been provided to questions most relevant to our operations.

The Society's National Council also supports calls made by the Stronger Charities Alliance concerning the urgency of implementing safeguards for future-proofing charity and the not-for-profit sector's advocacy role within the current parliamentary cycle.

While the Australian Government supports the sector's advocacy role, there is concern that this could be diluted in the future. Protections should be legislated by the following amendments that are simple and largely budget-neutral:

- Amend the *Charities Act 2013* to stipulate that charitable advocacy is presumed to be for public benefit.
- Amend the *Not-for-profit Freedom to Advocacy Act 2013* to prevent indirect ways of impeding charity advocacy and to establish principles/objectives on the importance of charity advocacy in the law.
- Legislate a transparent, merit-based process for the appointment of the ACNC Commissioner.

What should a 10-year vision for the NFP sector look like?

The NFP sector should be underpinned by evidence-based best practice. It should be a sector that is flexible, proactive, adaptive and responsive to the needs of the community it serves. It should be committed to continuous learning and improvement, red tape reduction and supported by efficient and streamlined operating systems. It should be open and transparent in its reporting of outcomes and accountability. It should be a sector that complies with all relevant laws and is recognised as a trusted source of service and advocacy to and for the community.

Where possible, the legal framework itself should be simple and consistent – this includes as far as possible across all Australian jurisdictions. Improved technologies should streamline information sharing, generate efficiencies in service delivery and foster innovation to address emerging social issues. Person-centred approaches, informed by, tailored and responsive to individuals' needs will underpin the sector's work, which values the wisdom of lived experience. The sector should be seen as one that fosters a culture of empathy and support to those individuals and communities in need and works in partnership with other entities to maximise social impact.

To reach this vision, the NFP sector must be recognised by governments, business and other community groups for its value and the contributions it makes to almost every dimension of life – socially, environmentally and economically. It should be resourced appropriately to maintain viability and meet community expectations of service. It should comprise attractive and reputable employers. It should be given the latitude and flexibility to implement truly person-centred service models. Volunteers and staff should be recognised and valued for their contributions and appropriately remunerated and supported through ongoing training and development.

As outlined in National Council's response to the DSS discussion paper, *A stronger, more diverse and independent community sector*, governments must value the voice of the sector, consult regularly and respectfully with it and be responsive to the advice the sector shares with them. Governments should be open and transparent and must further streamline reporting and accountability requirements.

There is a long history of the Commonwealth working with charitable organisations. The first schools, hospitals and social services were established by non-government organisations. Governments should continue to work towards establishing and strengthening respectful collaborative partnerships with the sector. Together we can assist local communities to be resilient, to be self-sustaining and to engender the social capital that keeps people together in times of crisis as was demonstrated during the recent pandemic.

In summary, Australia needs a well-funded and sustainable NFP sector that effectively supports those in need while also having a strong advocacy voice to Government to address systemic challenges and promote positive social change.

What's important for good service design and what does a quality service look like?

Person-centred design through genuine co-development and co-design underpins good service design. This requires adequate investment and support. Consumer-led forums and place-based design are also effective approaches.

With respect to outcomes, consideration should be given to adopting an 'outcomes-informed', rather than 'outcomes-based', approach to funding. This approach recognises that outcomes are also dependent on external factors that impact on delivery and effectiveness of services and are outside an organisation's control (such as housing availability). However, measuring outcomes remains essential to ensuring services contribute to the longer-term independence and resilience of people receiving services.

Creating or reinforcing social ties through the design process is a hallmark of good service design and delivery. Cooperation and collaboration across the sector can also be enhanced by these processes. However, effective cooperation and collaboration needs to take account of the capacity of those involved, enabling greater empowerment of voices that may not always be heard.

Person-centred and outcomes-based funding models and service provision informed by lived experience, evidence and local/international best practice are essential to maintaining a responsive and accountable approach to evolving community needs.

St Vincent de Paul Society Victoria (SVdP-Vic) identifies core principles as including:

- a person-centred approach
- volunteer engagement and empowerment
- sustainability and resilience
- digital capability and inclusion
- collaboration and partnership, and
- innovation and adaptability

St Vincent de Paul Society Tasmania (SVdP-Tas) notes the increasing complexity of individuals' needs and that while there are benefits to virtual/online delivery and communications, there are also limitations to automation. They suggest greater scope for triage in service delivery but note that universal service provision remains essential, as does early intervention and prevention services. They consider that the current funding footprint is too thin – trying to do all things for all people – and there should be greater investment at either ends of the service spectrum.

Similar comments are raised by St Vincent de Paul Society New South Wales (SVdP-NSW) who identify person-centred support, trauma-informed responses, the expertise of people with lived experience, joined up and coordinated systems (across all governments), collaborative practice and outcomes-focussed as key principles in service design. They cite their co-designed service model, SVdP-NSW Bushfire Recovery Community Development Program, as an example.

St Vincent de Paul Canberra-Goulburn (SVdP-CG) also stresses the importance of collecting and using regular client feedback to review and inform its service models (continuous improvement and action research).

What's needed to support an outcomes-focussed approach to service funding and measurement? And what role should government play in helping NFPs to become data capable and informed by evidence?

The Society in NSW, Vic, Tas and C-G has called for additional funding to develop and maintain robust data reporting systems and outcomes measurement, and to skill up the sector.

As noted in our submission on the DSS paper, the NFP sector must be adequately resourced to be 'data capable' and various suggestions were put forward as to how this could be achieved. Governments must also take responsibility and comply with their own data policies, particularly with respect to asking once and using often, and reducing red tape.

Specific, measurable outcomes must be developed, captured, and reported against. The development of outcomes must be in consultation with the NFP sector, service users and research institutions. The aim of comparable and standardised data items, and alignment with significant, larger (or national), or specialised datasets should be prioritised. Method, ease and frequency of collection must also be taken into account.

Poor outcomes development and measurement leads to unintended consequences and, in the worst cases, can drive the service model, how it is delivered, who is assisted and how effectively.

SVdP-Vic offers some suggestions, such as:

- providing financial support specifically earmarked for data management and analysis capabilities. This could include grants for purchasing software, hiring data analysts, or training staff
- offering or subsidising training programs for NFP staff in data collection, analysis, and interpretation
- facilitating access to relevant government-held data under privacy guidelines. This can help NFPs understand broader trends and benchmark their services against larger datasets.
- financially incentivising partnerships between NFPs and tech companies or academic institutions for technical support and expertise, and
- investing in sector-wide initiatives like shared data platforms or sector-specific research studies that NFPs can benefit from.

As noted by SVdP-Tas, funders need to appreciate that achieving outcomes and sustainable impact takes a much longer-term focus than simply measuring outputs – this can be challenging for political cycles, especially at the federal level, and even for some philanthropic funders who are seeking swift returns on their investments. Impact can be challenging to measure for preventive programs and a move to this approach will need to be steady, supported (resource wise) and sustained over a long period of time.

SVdP-CG and NSW have expressed similar sentiments, with NSW stressing the importance of the approach being simple, measurable and not administratively burdensome. It must be meaningful to those we assist, comparable and designed to inform administrative and policy decision-making. The NFP requires better resourcing to achieve this goal, particularly given the extent to which the sector relies on a volunteer workforce. SVdP-NSW further considers that, in some instances, an outcomes-focussed approach may not be appropriate for immediate crisis response programs such as emergency relief. Please refer to their submission to DSS on a diverse and independent community sector for more information.

What is needed to make NFP advocacy more effective, to reflect those we assist and to inform the evidence base?

SVdP-Vic calls for a greater understanding on the interactive relationship and interdependencies between those who are advantaged and those who are disadvantaged; and that the widening disparity between low and high wealth needs to be better understood.

Funding support from universities and Government to capture information on charities' operations, enabling data to be captured and compared across a common operating environment would empower charities with a body of evidence to support government policymaking, and to develop cases for change and fundraising. As noted in our submission on the DSS paper, a whole of government approach through DEX has not been fully realised.

SVdP-Tas calls for advocacy to be treated as an activity in the service delivery sector, with client voices pivotal to the process. Building the capacity of the sector is required. Collaborative partnerships with universities/research institutions should be incentivised. Again, as outlined in our submission on the DSS paper, various approaches have been recommended, such as building on the newly established Australian Centre for Evaluation.

SVdP-CG notes the importance of charities being able to freely advocate in line with their charitable purpose and that government policies, laws and regulatory frameworks should not stymie this important work. Mechanisms that could be used to garner the expertise of the NFP sector include establishing advisory panels and collaborative taskforces, incentivising and funding partnerships between the sector and research institutions, and conducting regular forums and working groups where NFP sector leaders can engage with policy and government decision makers.

How can donations, volunteering and philanthropy be increased and better targeted to address community needs? How can the National Strategy for Volunteering be supported?

SVdP-Tas considers that some improvements have been made in structured giving, particularly through Private Ancillary Funds, community foundations, trusts and corporate grant programs but more could be done to raise community awareness of these options. While philanthropy may be better invested by targeted giving, this sphere has not reached the required degree of maturity just yet; and the approach should be a longer-term focus.

SVdP-Vic considers that governance standards must balance accountability with flexibility, acknowledging the diverse needs of the sector. Tax concessions should be designed to encourage transparency and impact rather than merely compliance. Regular reviews and updates to regulatory frameworks should be collaborative and considerate of the unique challenges faced by different organisations.

With respect to volunteering, considerable time and resources are required of governments to bring the well-regarded National Strategy for Volunteering to life and this perhaps is one of the largest and most urgent challenges facing the NFP sector. Community education and awareness campaigns on the importance and value of volunteering are needed. Our submission on the DSS paper calls for grant funding to include activities that cover costs associated with conducting screening checks, implementing safeguarding procedures and delivering induction and regular training.

SVdP-Vic proposes that corporations be further incentivised through tax concessions to invest in internal volunteering programs, donation of in-kind support such as resources, expertise, or facilities to assist volunteer organisations in achieving their goals. Educational institutions have a role to play in supporting the National Strategy through their curricula, integrating volunteerism and community service into programs in order to instil a culture of giving back. Technology can be further harnessed by government and volunteer organisations to better connect volunteers with opportunities and facilitate easy registration and communication.

SVdP-NSW observes that the changing nature of volunteering, with it being more periodic and spread across a number of organisations, means that compliance checks, particularly with different requirements across jurisdictions, should be easier and portable, with no cost involved for mandatory requirements like the National Police check. Volunteers should be recognised as an important resource to enhance the NFP service sector, not to plug gaps in service systems due to funding limitations.

SVdP-C-G considers that donations to charities could be increased through simplified tax incentives, matching programs (government funding to match corporate donations), community awareness campaigns, and temporary tax benefits during times of crises. Philanthropy could also be increased through better use of social media, digital marketing (including storytelling and impact reporting) and raising community awareness. In terms of how the NFP sector might adapt to more direct forms of giving and volunteering, this includes better use of technology, social media and digital platforms and promotion of skills-based volunteering. SVdP-CG also stresses the importance of prioritising diversity and inclusion initiatives in volunteering programs.

What might be the appearance of a regulatory framework for the sector that overcomes the complexity of our federation?

Designing and implementing consistent service quality standards across all states and territories would help to streamline compliance and reduce complexity. As previously stated, a single national portal for reporting would simplify reporting, would improve comparability, inform policy and funding and save overheads.

Fundraising laws are in the process of being streamlined but this has taken several years. Further streamlining needs to occur, such as for tax concessions.

SVdP-CG highlights the fact that as it operates in Canberra and parts of NSW, it must comply with over 60 different Acts, Regulations and standards. They support streamlined national standards (fundraising, consumer law etc), collaborative federal-state and territory oversight, improved harmonisation of reporting requirements, effective information sharing between federal and state regulators and proportional regulation.

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

Boards should reflect the nature and diversity of the communities they serve, including people with lived experience. For charities this could also include representation that aligns with their charitable purpose and their membership. Strong diversity, a range of skill sets, excellent understanding of governance principles, financial acumen, and strategic thinking and planning are all essential.

The Society notes that some membership-owned organisations have prescriptions around who can take on office-bearer roles. For instance, in the Society's governing document The Rule, designated positions include the President, Vice-President and Spiritual Adviser, who should be Catholic. Within this context, the Society encourages such organisations to work towards diversity of board membership and member skills so that contemporary governance practices can be achieved.

SVdP-CG lists financial, strategy, risk, compliance, legal and ethical skills as a minimum. There should also be sector specific skills such as philanthropy, social policy, housing/homelessness, emergency coordination social services (with respect to the Society). They should undertake regular training, be appropriately inducted and have regular performance reviews. This commitment must be resourced, which means funds are diverted from the provision of frontline services.

As suggested by SVdP-Vic, boards should actively engage with their communities, fostering a direct connection between the organisation and its beneficiaries.

How can governance standards and regulatory frameworks that apply to the NFP be improved? Are tax concessions appropriate?

As noted by SVdP-Vic, improving governance standards and regulatory frameworks for NFPs in Australia requires a collaborative and adaptive approach, involving input from government bodies, NFPs, experts, and other stakeholders. Regular evaluation and adjustments will help ensure that the regulatory environment remains effective and responsive to the evolving needs of the sector.

SVdP Vic recommends that the ACNC should:

- regularly review and update governance standards with particular attention to fundraising obligations to donors and to government
- develop Board composition guidelines
- develop template positions description for office bearer positions
- maintain forums for collaboration between regulators, government bodies and representatives from the NFP sector
- develop a more robust data repository (and as previously recommended by National Council, make better use of the Charity Passport), with reporting requirements dependent on the size of the charity, and
- offer professional development training for Boards, including the allocation of resources to manage risk.

As noted earlier and observed by SVdP-Tas, the harmonisation of fundraising regulations across the nation is a notable “strong positive in progress”, but arguably there is still more to be done in the realm of transparency and this is particularly important if charities are to gain the confidence of the public’s donation purse. Tax concessions, while valuable, will rely upon this degree of scrutiny.

What is needed to attract and retain leaders, staff and volunteers?

The Society acknowledges that it is difficult for the NFP sector to compete with similar roles in other sectors and even to remunerate at industry standard levels. The benefits to Public Benevolent Institutions of the Fringe Benefits Exemption in closing the gap between the level of remuneration paid by the charitable sector comparative to the public service and private business sectors has had less effect since this concession was introduced. And these benefits are not available to the majority of charitable organisations.

Improved benefits, including a review of the tax system, might address this disparity. Incentivising, acknowledging and publicly rewarding outstanding social enterprises would help to lift the ‘employer profile’ of NFPs, making them an employer of choice. Structured career pathways, skills development and supporting a work-life balance are all an important part of the equation.

SVdP-CG considers that future leadership must prioritise the following to develop the sector’s paid workforce and volunteers:

- strategic vision and innovation
- advocacy and public engagement
- collaborative partnerships
- data driven decision making
- evaluation and impact assessment
- diversity, equity and inclusion
- succession planning
- governance
- technology integration
- sustainable funding streams
- mental health and wellbeing support of the workforce, and
- effective volunteer management.

For the sector workforce:

- continuous professional development
- leadership training
- diversity and inclusion training
- digital literacy and technology training
- project management skills training
- evaluation and impact assessment training
- volunteer management training
- crisis preparedness and response training, and
- advocacy skills development.

With respect to influencing NFP sector workforce development with education providers and governments, SVDP-CG recommends

- maintaining contacts to exchange information on development needs and gaps in the workforce
- establishing collaborative networks with the NFP sector, education providers and governments
- conducting sector needs assessment and skills mapping – and align curricula with skills needs in the NFP sector, to ensure education and training programs meet the evolving needs of the sector.
- conducting joint research projects
- establishing professional development partnerships–joint training programs/workshops/seminars, and
- establishing national/state and territory workforce development boards

How can government improve the way it funds and contracts charities? How can it support collaboration while testing the market?

Our submission on the DSS paper makes several recommendations on how processes could be improved, such as amending the grant application process, reviewing how partnerships/consortia operate, establishing standing panels in high-risk locations, incentivising partnerships, building in review processes in multi-year grant agreements, reducing red tape, standardising reporting and accountability requirements and applying proportionality, etc. Our submission also addresses how important it is for Government to improve and incentivise collaboration between NFPs.

SVdP-NSW, Vic and C-G make similar recommendations and stress the importance of greater flexibility within program guidelines and grant agreements and providing adequate grant funding to cover the full cost of service delivery.

What is needed to improve the digital capability of the NFP sector and those we assist?

Again, our submission on the DSS paper makes several recommendations on improvements that could be made to data collection. Apart from making better use of DEX and SCORE, the Government must finalise its work on the “Tell Us Once” data project (NEMA).

With regard to digital capability, SVdP-Vic recommends that charities receive specific concessions to acquire and maintain digital platforms. There are also many corporate entities that are willing to provide pro bono or low bono support to NFPs. An immediate short-term solution would be to incentivise these corporate entities to provide their time and expertise to the NFP sector.

SVdP C-G recommends creating collaborative platforms to facilitate information sharing across the NFP sector, governments and stakeholders. Standards should address digital literacy (for volunteers, staff and clients), cybersecurity awareness, mobile optimisation, and digital marketing, e-commerce and fundraising platforms. Funding and resources are needed to build the capacity of the NFP sector as such an approach would also improve person-centred service design and delivery. Further, developing community programs to improve digital literacy among the people served by NFPs ensures they can access online services and resources more efficiently.

Please do not hesitate to get in contact if you require further information.

Yours sincerely



Mr P Toby oConnor
Chief Executive Officer

Att: 2

St Vincent de Paul Society Victoria response to the Not-for-Profit Sector Development Blueprint Issues Paper

Introduction

The St Vincent de Paul Society Victoria (SVDPV) welcomes the opportunity to provide feedback on the Federal Government's Not-for-Profit Sector Development Blueprint Issues Paper.

With over 10,000 members and a history dating back 169 years, SVDPV members, volunteers and staff offer crucial frontline support to vulnerable individuals in Victoria. Our diverse services, which include home visitations, accommodation, food, material aid, financial counselling, family violence support, drug and alcohol addiction recovery, no interest loans, advocacy as well as refugee, asylum seeker and migrant support seek to address both the causes and impacts of poverty and are delivered with care and compassion. SVDPV relies on various income sources, including our 113 Vinnies Shops, donations, bequests, and government funding, which constituted about 30% of our total revenue in 2022.

Our submission aims to share our experiences and insights to contribute to more effective policy and governance for the Not-for-Profit sector.

What should a 10-year vision for the NFP sector look like?

St Vincent de Paul Society Victoria envisions a NFP sector in 2033 that is adaptive and responsive to the evolving needs of the community. Common operating platforms and processes adopted across all incorporated charities will be BAU; quality standards across the sector will be in place, as will a measurement framework that includes a number of common outcomes, indicators and measures. There will be more resourcing support from the government towards establishment and maintenance of best practice including reporting, program design and other operating model collateral. Technology will be leveraged and technological capabilities (particularly AI) will be embedded within charitable organisations to achieve massive efficiencies in service delivery and improvement, fostering innovation to address emerging social issues. Innovative and agile practices will be adopted to generate more sustainable operating revenue streams. Charities will operate with a stronger commitment to social justice, and greater coordination to advocate for policies that address the root causes of poverty and inequality.

Core values guiding SVDPV's vision include compassion, respect, integrity, and collaboration. The organisation believes in upholding the dignity of each individual, fostering a culture of empathy and support, and working in partnership with other entities to maximise social impact. Transparency, accountability, and evidence-based approaches that value the wisdom of lived experience are also fundamental to SVDPV's vision for the sector.

What are the hallmarks of quality service design and delivery?

Adopting a person-centred design framework and principles of self-determination are key to services that empower rather than reinforce cycles of dependency. This person-centred approach must however be balanced with flexible delivery models that consider volunteer workforce motivations, diversity, capability and capacity.

Outcomes-based funding, design, reporting and evaluation are also critical to ensuring services are contributing to longer-term independence and resilience of people receiving the services. Creating or reinforcing social ties through the design process is a hallmark of good service design and delivery.

Quality service involves delivering on performance measures and targets that have been designed to generate positive outcomes and impact for individuals and communities being serviced or interacting with the organisation. Quality service provision can be measured in a way that demonstrates return on investment, with clarity on service inputs (cost of the service) as well as the quantum and impact of outputs. Quality service, from the perspective of St Vincent de Paul Society Victoria, involves adapting to increasing complexity through continuous learning and innovation. Embracing automation should enhance efficiency without compromising the personalised and human-centred nature of services. Person-centred and outcomes-based funding models and service provision informed by lived experience, evidence and

local/international best practice are essential to maintaining a responsive and accountable approach to evolving community needs.

Core principles of service design and delivery a sector Blueprint could commit to would include:

A Person and Community-Centred approach: Services should be designed and delivered with the community's needs at the forefront, ensuring that they are accessible, relevant, and responsive to the diverse needs of different community groups.

Volunteer Engagement and Empowerment: Recognising and leveraging the critical role of volunteers in service delivery, ensuring their empowerment, training, and recognition.

Sustainability and Resilience: Building sustainable models of service that can adapt to changing needs and circumstances.

Digital Capability and Inclusion: Integrating digital technology into service design and delivery to improve access and efficiency, while ensuring digital inclusion for all community members.

Collaboration and Partnership: Emphasising partnerships with other organisations and stakeholders to enhance service delivery effectiveness and efficiency.

Innovation and Adaptability: Encouraging innovative solutions and adaptability to meet emerging challenges and changing community needs.

These principles reflect the need for a responsive, inclusive, and forward-thinking approach in the NFP sector, essential for meeting the evolving needs of communities.

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

An outcomes-focused approach in the areas of work covered by SVDP Victoria would involve: identifying specific, measurable outcomes such as reducing food insecurity rates or improving financial stability among disadvantaged groups; utilising data to track progress, understand impact, and make informed decisions and involving beneficiaries, volunteers, and partners in defining and assessing outcomes.

To move towards this approach, SVDP Victoria would need funding support to create and maintain robust data collection systems, training for staff and volunteers in outcomes measurement, and a culture shift towards valuing impact over output, which can be supported through a more robust regulatory framework.

Unanticipated consequences to consider include the risk of prioritising easily measurable outcomes over more complex but important goals and systemic root causes, potential privacy concerns with data collection, and the need for ongoing resource investment in monitoring and evaluation systems. Governments and the sector should also be mindful of the diverse needs and contexts of different communities to ensure equitable service provision.

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

SVDPV believes the government can play several crucial roles in helping NFPs like SVDPV become data capable and informed by evidence:

- Providing financial support specifically earmarked for data management and analysis capabilities. This could include grants for purchasing software, hiring data analysts, or training staff
- Offering or subsidising training programs for NFP staff in data collection, analysis, and interpretation
- Facilitating access to relevant government-held data under privacy guidelines. This can help NFPs understand broader trends and benchmark their services against larger datasets.
- Establishing clear guidelines and standards for data collection, management, and usage that respect privacy and ethical considerations.

- Financially incentivising partnerships between NFPs and tech companies or academic institutions for technical support and expertise.
- Encouraging evidence-based approaches through policy and funding priorities. This might include requiring data-driven outcomes for grant reporting.
- Investing in sector-wide initiatives like shared data platforms or sector-specific research studies that NFPs can benefit from.

What is needed to support an outcomes-focussed approach to service delivery, funding and measurement?

St Vincent de Paul Society Victoria emphasises the importance of outcomes-focused service delivery, funding, and measurement. Clear metrics, collaboration with stakeholders, and a commitment to evidence-based practices should guide decision-making. It's crucial to align funding structures with measurable outcomes, encouraging transparency and accountability within the sector.

Offering long-term funding commitments to charities will allow them to plan and implement programs with a focus on achieving sustained outcomes. Short-term funding cycles can hinder the development of impactful, long-term solutions. A funding model that reward charities based on their demonstrated outcomes could involve bonus funding for exceeding targets or achieving specific impacts or indicators outlined in the Australian National Wellbeing Framework.

Government should also design funding models that allow for flexibility, recognising that achieving meaningful outcomes may require adaptive strategies. This includes the ability to adjust programs based on ongoing evaluation and learning. By implementing clear and comprehensive reporting guidelines, NFPs can effectively communicate their impact, financial stewardship, and sustainability, thereby attracting the financial grants and in-kind support necessary to fulfill their missions. Additionally, incentivising impact investing will align private capital with social and environmental outcomes.

What is needed to make NFP advocacy more effective, reflect those we assist and inform the evidence base?

Too often, research on need overlooks the interactive relationship and interdependencies between those who are advantaged and those who are disadvantaged. For example, recent Reserve Bank announcements have confirmed that Australian inflation is home-grown rather than being a direct result of overseas trends. There is a link that needs to be better articulated between activities of those who are highly advantaged (e.g. increased discretionary spending, owning multiple investment properties) and the impact this has on creating environments of disadvantage for others. The widening disparity between poor and rich needs to be better understood-both sides of the equation.

Funding support from Universities and Government to capture information on charities' operations and developing a common operating platform for data to be uploaded and compared for and by charities operating across the sector will empower charities with a body of evidence to support government policymaking, cases for change and fundraising.

Effective advocacy for St Vincent de Paul Society Victoria involves amplifying the voices of those they assist through collaborative partnerships and inclusion of lived experience. Co-design of advocacy messaging and campaigns with communities we are aiming to support helps ensure that policy recommendations are grounded in real-world experiences. Building a robust evidence base through research and data collection can strengthen the credibility and impact of advocacy initiatives.

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

SVDPV believes in aligning resources with the most pressing needs and measuring the impact of philanthropic efforts. Conducting thorough needs assessments and mapping exercises, like the comprehensive studies SVDP Victoria has undertaken regarding homelessness and food insecurity, can help identify specific community needs and target resources effectively. Additionally, matching volunteers' skills with the needs of the community is another approach to effectively target resources to community need. For instance, professionals like financial advisors or nutritionists can volunteer their expertise in relevant programs.

How can donations, volunteering and philanthropy be increased and better targeted to address community needs?

St Vincent de Paul Society Victoria advocates for governance standards that balance accountability with flexibility, acknowledging the diverse needs of the sector. Tax concessions should be designed to encourage transparency and impact rather than merely compliance. Regular reviews and updates to regulatory frameworks should be collaborative and considerate of the unique challenges faced by different organisations.

Government can actively participate in the development and refinement of policies that support volunteering initiatives. Government at all levels can allocate resources and funding to programs that promote volunteerism and enhance the capabilities of volunteer organisations. Government at all levels should encourage and celebrate donations, volunteering and philanthropy by establishing additional recognition programs and awards to acknowledge the valuable contributions of volunteers and organisations. Government can support NFPs with the development of training programs to enhance the skills of volunteers and ensure they are well-equipped for their roles. Government can invest in marketing the importance of volunteering and actively promote volunteer opportunities within communities, linking these to conditions such as permanent residency, community behaviour orders and the like.

Corporations could be further incentivised through tax concessions to invest in internal volunteering programs, donation of in-kind support such as resources, expertise, or facilities to assist volunteer organisations in achieving their goals.

Educational Institutions have a role to play in supporting the National Strategy through their curriculum, integrating volunteerism and community service into educational curricula to instil a culture of giving back. Technology can be further harnessed by government and volunteer organisations to better connect volunteers with opportunities and facilitate easy registration and communication.

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

Designing and implementing consistent service quality standards across all states and territories would help to streamline compliance and reduce complexity. A single national portal for reporting would reduce the need for multiple reports to different state and federal agencies.

Streamlining tax concessions and legal structures to be uniformly applicable across Australia would simplify process for NFPs like SVDP Victoria.

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

Effective boards in the sector are characterised by a diversity of skills, backgrounds, and experiences among their members, fostering well-rounded guidance. A deep understanding of governance principles is essential, underpinning effective oversight and decision-making processes. Board members would ideally include a range of experience including lived experience relating both to the service delivered and receipt of services that the organisation provides. The capacity for strategic thinking and planning is crucial, guiding the organisation's direction toward long-term success. Additionally, financial acumen, including a reasonable percentage of the board holding demonstrated experience in strong financial management and fundraising, is vital for ensuring sustainability. To maintain relevance and responsiveness, boards should actively engage with the communities they serve, fostering a direct connection between the organisation and its beneficiaries.

How can governance standards and regulatory frameworks that apply to the NFP be improved? Are tax concessions appropriate?

Improving governance standards and regulatory frameworks for NFPs in Australia requires a collaborative and adaptive approach, involving input from government bodies, NFPs, experts, and other stakeholders. Regular evaluation and adjustments will help ensure that the regulatory environment remains effective and responsive to the evolving needs of the sector.

Government Oversight: Government bodies such as the Australian Charities and Not-for-profits Commission (ACNC) should be doing more to work with charities to regularly review and update governance standards to ensure relevance and effectiveness. This includes the development of Board

Composition Guidelines, providing guidance on establishing diverse and skilled boards that can effectively oversee and govern NFP activities, establishing regular forums for collaboration between regulators, government bodies, and representatives from the NFP sector to discuss regulatory issues, seek feedback, and address concerns and developing online resources, guides, and toolkits that assist NFPs in understanding and complying with governance standards.

The ACNC could be providing a more robust repository for NFP operating data that can be used for research. More professional development is required to upskill NFP boards in their understanding of governance principles, legal obligations, and best practices; this is an area ACNC could oversee. The ACNC or relevant Minister could support enhanced risk management by developing and disseminating tools that assist NFPs in conducting comprehensive risk assessments and implementing robust risk management strategies.

Proportional Regulation would be welcomed by SVDPV, as it recognises the diversity of NFPs – their capacities, scope, reach and capabilities. Implementing a regulatory framework that is proportional to the size, activities, and complexity of each organisation will reduce red tape and offer a pragmatic approach to assurance. Similarly, ACNC should consider differentiated reporting requirements based on the scale and nature of NFP activities.

An investment by government in digital platforms that streamline charities' reporting processes will make it easier for NFPs to fulfill their regulatory requirements. This includes designing interfaces that are user-friendly, ensuring that NFPs can navigate reporting platforms efficiently.

Finally, government should be providing financial incentives or benefits for NFPs that demonstrate strong governance and compliance.

What is needed to attract and retain leaders, staff and volunteers?

St Vincent de Paul Society Victoria benchmarks remuneration against NFP sector averages, but this is still not competitive compared to remuneration for similar roles in government social services or social enterprises. Increased taxation benefits that are relative to amount of volunteering and hours worked as staff would allow NFPs to attract staff with the level of capability required to professionalise much of the sector's practices. For SVDPV, emphasising a mission-driven culture, highlighting the impact and purpose of the work, creates a sense of fulfillment and motivation among staff. Instituting recognition and reward systems for contributions and achievements, promoting diversity and inclusion, and actively encouraging participation in professional networks and conferences collectively contribute to making careers in our organisation more attractive.

From the perspective of SVDP Victoria, future leadership priorities within the sector, as well as the growth of the paid workforce and volunteer base, should be centred on several key elements. Foremost is the promotion of inclusive leadership, placing emphasis on values that prioritize diversity and inclusivity, reflecting the varied communities served by the NFP sector. Another critical aspect involves a commitment to investing in continuous professional development, ensuring that both paid staff and volunteers have ongoing opportunities to enhance their skills and effectiveness. Equally important is the need to foster volunteer engagement and recognition, acknowledging the indispensable role of volunteers and implementing strategies to attract, retain, and appreciate their invaluable contributions. Furthermore, cultivating a culture of innovation and adaptability is crucial, encouraging the sector to evolve and meet the dynamic needs of communities while leveraging new technologies. These priorities collectively contribute to the establishment of a resilient, skilled, and dedicated workforce capable of effectively navigating the ever-changing challenges and opportunities within the NFP sector.

To enhance the attractiveness of employment opportunities and foster career development within the NFP sector, several key strategies are imperative. Firstly, it involves aligning compensation with industry standards and providing comprehensive benefits, including subsidised health insurance, retirement plans, and paid leave, to ensure competitive remuneration. Establishing structured career pathways, offering skill development opportunities, and providing mentorship and leadership training contribute to career development and progression. Furthermore, implementing policies that support work-life balance, such as flexible working hours and remote options, enhances the overall well-being of employees. These holistic approaches aim to not only attract but also retain a skilled and motivated workforce, ensuring the sector's sustained impact in the future.

How can government improve the way it funds and contracts charities? How can it support collaboration while testing the market?

St Vincent de Paul Society Victoria advocates for a streamlined and transparent government funding process that supports collaboration while testing the market. Funding should be for multi-year programs. Offering multi-year funding agreements is another vital step, providing charities with greater financial stability and the ability to engage in long-term planning essential for effective program implementation and scalability.

The introduction of more flexible funding models is also recommended. Eligibility for funding is often contingent on an activity being new. Flexible funding models should prioritise outcomes and impact, allowing organisations to innovate and respond to emerging needs. SVDPV's experience with managing multiple grants simultaneously has shown that although time-limited grant funding affords government the opportunity to test new services and programs, each grant attracts overhead costs and compliance obligations that are unfunded. When a charity has a number of such grants to manage, the financial implications are a concern. It would be better to fund innovation and demonstration projects through amendments of funding and service agreements, rather than as separate grants.

Enhancing transparency in the funding process, including clear criteria, timely communication, and constructive feedback, would enable charities to better understand decision-making processes and enhance their future applications.

To enhance the funding and contracting processes for charities, governments could implement several key measures. One crucial aspect involves streamlining application processes by simplifying and standardising grant applications, reducing administrative burdens, and potentially establishing a unified application portal.

To strike a balance between collaboration and competition in government funding, tendering, and contracting for the NFP sector, governments could adopt specific strategies. One approach involves fostering collaboration by encouraging joint initiatives and partnerships among NFP organisations. This collaboration could be incentivised through more joint funding opportunities or consortium-based tendering processes. Governments can also establish frameworks that promote information-sharing and collaboration while maintaining fair competition, encouraging NFPs to share best practices and resources. Striking this balance is crucial for supporting innovation within the NFP sector, ensuring that organisations can work together synergistically while still competing to bring the most innovative and effective solutions to the forefront. Implementing these above-mentioned changes holds the potential to create a more effective, efficient, and sustainable funding environment for charities, allowing them to focus more on their core mission and less on administrative complexities.

What is needed to improve the digital capability of the NFP sector and those we assist?

St Vincent de Paul Society Victoria recognises the need to invest in data accuracy, collection and management as well as digital infrastructure and skills. In particular, there is a massive opportunity for NFP sector to be at the forefront of the AI revolution.

Collaborative initiatives, knowledge-sharing platforms, and training programs can enhance the digital capabilities of the sector. Targeting children who receive assistance from NFPs is an obvious starting place to implement digital literacy programs.

Ensuring that digital solutions are accessible and inclusive is crucial to preventing the digital divide from exacerbating existing inequalities. Charities need specific concessions to acquire and maintain digital platforms (an obvious example is Microsoft licences, which many larger charities depend on for an integrated reporting solution).

Government support to upskill NFP beneficiaries, volunteers and staff in digital literacy is key to improving person-centred service design and delivery. Developing community programs to improve digital literacy among the people served by NFPs ensures they can access online services and resources more efficiently. Digital literacy extends beyond understanding how to use specific digital applications, to understanding data security and privacy protocols and ensuring cybersecurity measures are in place to safeguard digital assets.

Encouraging the adoption of cloud computing solutions to facilitate remote work, data storage, and collaboration via additional tax concessions will greatly enhance efficiency and flexibility within NFP organisations. Providing collaboration tools free of charge such as BI analytics to support outcomes measurement, reporting and project management tools, records management, video conferencing, and communication platforms will streamline internal processes and communication, as well as foster enhanced cross-organisational research and collaboration. Dedicated investment in establishing digital networks that allow NFPs to share best practices, resources, and experiences in leveraging digital technologies will improve the digital capability of the sector and by extension, support improved service delivery to those we assist.

Finally, it should be noted that there are many corporates who have these capabilities already in place and are willingly providing pro bono or lo bono support to NFPs. An immediate short-term solution to improve digital capability within the NFP sector will be to further incentivise corporate entities to provide increased time and expertise to using their capabilities in partnership with NFPs.

The St Vincent de Paul Society Victoria is pleased to contribute to shaping the future of the Not-for-Profit (NFP) sector through its comprehensive insights and recommendations.

NSW SVdP key points, November 2023

3. Measurement, outcomes and quality of service

We welcome trend towards ensuring more consistent, quality services for clients, but accreditation systems need to be user friendly for NFPs rather than a significant compliance requirement. Accreditation processes should be more streamlined and enhance service delivery rather than impose a significant cost or administrative burden on services. NFPs require adequate funding and resourcing for staff to lead and implement accreditation processes and longer time frames for organisations to work towards full accreditation.

3.1.1 Service design and delivery principles

Principles:

- Person-centred support – responses should place the person at the centre of decision-making, so they have control over the services they receive. Supports are flexible, strengths-based and tailored to meet the person’s wishes and priorities.
- Trauma-informed responses – Acknowledging that many people experiencing, or who are at risk of, homelessness have had adverse experiences over their life, and the system must provide responses that are trauma aware, safe, strengths-based and integrated to promote recovery and to reduce the possibility of people being re-traumatised.
- Client voice / Expertise of people with lived experience – People are experts in their own lives and are best placed to identify solutions to their challenges, to share their experiences and advice to inform policy, programs and services, and to undertake peer roles to empower and support other people accessing services.
- Intersectoral, joined-up responses and coordination mechanisms - The NHP must set out mechanisms for coordination across national, state and local governments; across agencies within each level of government; and between government and non-government partners. (See box on the By Name List).
- Collaborative – programs and services should be designed, funded and delivered in partnership with the NFP sector, as well as with people who are the intended users of the program/services.
- Outcomes focused

3.1.2. Codesign examples

Government needs to co-design programs with NFP and with the people who are the intended users of the program/services.

Example: SVDPNSW Bushfire Recovery Community Development (BRCD) Program

The Society’s Bushfire Recovery Community Development (BRCD) Program is an example of a successful disaster recovery and risk preparedness response following the devastating 2019-20 NSW bushfires that was co-designed with local communities.

The BRCD Program was a two-year, state-wide initiative that engaged more than 12,000 people across six regions across NSW: Richmond Valley, Clarence Valley, Kempsey, Shoalhaven, Glenn Innes and Wingecarribee, to a total of 12,677 people and 1632 households.

As per the logic model below, the BRCD Program aimed to:

1. improve community and individual resilience and disaster preparedness capacity;
2. help strengthen community cohesion and increase individual sense of wellbeing and positive outlook; and
3. support local government rehabilitation, regeneration and productivity.

The Program’s key features were:

- A community development model designed to promote participative democracy and directed by people within local communities,

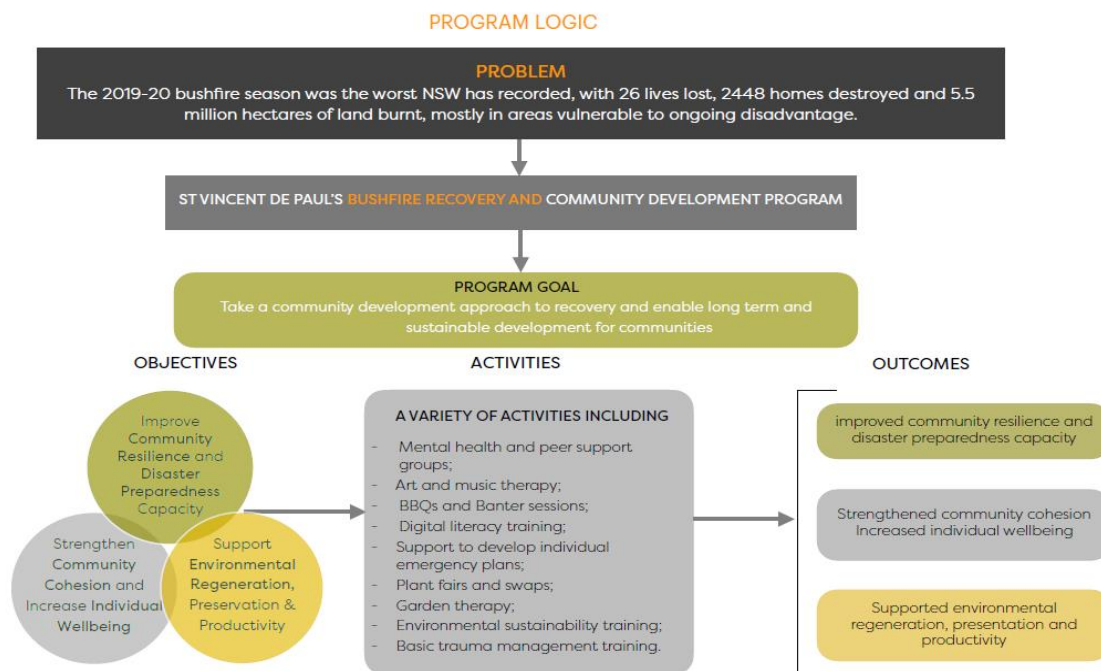
- A whole-of-community approach with a particular focus on vulnerable groups, including those with disability or mental health challenges, First Nations people and those who are socially isolated.
- Delivery of a range of activities including training, community conversations, and peer support.

An independent evaluation of the Program concluded that it delivered on its intended objectives. The evaluation noted the Program's particular strengths were that it:

- delivered good practice community development disaster response tailored to the needs of individual communities; and
- strengthened community cohesion and contributing to community wellbeing and positive outlook.

The BRCD Program's key outcomes were:

- 1632 households were prepared for future natural disasters
- 686 community leaders were trained with skills in hazard reduction and disaster management
- 23 types of preparedness activities were delivered in 26 communities
- 2 hazard identification and planning events
- 22 unique activities revitalising community connections
- 544 people skilled in trauma management
- 2556 instances of casework, support and referral
- 544 people with information and referrals for services
- 43 double-impacted households supported to respond to rebuild critical personal infrastructure
- 42 organisations with strengthened organisational capacity
- 1 double-impacted community group supported, and
- 9 types of land regeneration investment in 22 communities.



3.1.3. What would an outcomes focused approach look like

Simplified, measurable and not too administratively onerous.

Relevant and meaningful to the people we are supporting by demonstrating how outcomes are relevant to the client and sector.

Generates reliable data to inform further systems or sector development for decision-making about resource allocation and capacity.

3.1.4. Helping NFP become data capable

Consistent data sets and a common platform across health and social service government agencies and NFP sectors are essential.

Resourcing to implement outcomes measurement systems, including for training to make sure implemented correctly are essential.

Government consideration is required of the time and cost involved for organisations that rely on large volunteer base of making that volunteer workforce data capable, and for the costs associated for organisations with government requests to supply more data. Example: Society's implementation of CAMS following DSS request for more administration data on ER. Significant financial and staff costs were required to develop, roll out and train volunteers to use the system correctly.

5. Volunteering and Philanthropy

5.1.1 & 5.1.2 Reforms to increase giving and mobilise/access philanthropy

5.1.3. How can resources be more effectively targeted to community needs?

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

5.1.5 How should the Blueprint support the Volunteering strategy?

The nature of volunteering is changing to become more periodic and spread across a number of organisations. It needs to be simpler for people to get compliance checks, specifically across state/federal, and checks should be portable across organisations, with no cost involved for mandatory requirements like National Police check.

Volunteers should be used as a resource to enhance the NFP service sector not to plug gaps in service system due to funding limitations. Relying on volunteers in place of professional specialist staff can have adverse impacts on service quality and client outcomes.

8. Funding contracting tender

8.1.1. How can government improve the way it funds and contracts charities?

See: SVdP NSW's October 2023 DSS Submission

Adequate funding for full and true cost of service delivery - government needs to understand the full burden of running projects. Far too often, there is not enough funding for staffing, training, research, MEL or capital expenditure to run a project, including bricks and mortar and the upkeep of the premises.

Longer funding periods are required that provide stability to workforce and allow NFPs to specialise and innovate through a cycle of test, refine and improve.

However, with longer contracts there needs to be a mechanism for periodic funding review or in response to crisis or changed social circumstances. For instance, DSS' response to COVID was good in that it provided additional funding to ER providers in recognition of the crisis. This approach needs to be built in.

Greater flexibility to enable funding to be used in respond to crisis, eg Cost of Living or natural disaster, so funding can be moved to address/respond to the issue at hand.

8.1.2. Balance between collaboration and competition

Government should act as a convenor between NFPs doing the same and like things where it manages multiple contracts on an issue.

While there is a place for competition, it must be balanced with collaboration. Tenders are all or nothing, either do it the cheapest, or here is \$1m to deliver XYZ, take it or leave it which leads to unviable NFP.

We need a whole of system collaboration, beyond just NFPs working in the same sector, to provide person-centred, holistic care to clients to achieve better outcomes.

Government needs to allow transition periods to shift models – collaborations and partnerships are a long-term process to ensure clients are not impacted and don't lose NFPs. Any transition needs to be financially supported.