



yourtown
POWERING **kids helpline**

Not-for-Profit Sector Development Blueprint Issues Paper

A submission to the Australian Government
Department of Social Services

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Authorised by Tracy Adams,
Chief Executive Officer, **yourtown**

email: advocacy@yourtown.com.au **tel:** 0435 081 939

yourtown is a trusted provider of services for young people, with a focus on mental health and wellbeing, parenting and early childhood development, long-term unemployment, prevention of youth suicide, child protection, and support for those experiencing domestic and family violence.

The organisation has developed a diverse funding model which includes the conduct of charitable art unions, corporate partnerships, fee for service, donations and philanthropy and governments.

As a result of the diversity in funding **yourtown** has evolved to helping hundreds of thousands of young people each year through a range of service offerings, supporting them through many difficult challenges.

Our services:

- Employment, education, and social enterprise programs to help long-term unemployed young people re-engage with education and/or employment
- Domestic and family violence refuge, accommodation, and therapeutic supports for women and their children, including post-refuge support
- Accommodation and therapeutic supports for young parents and their children at high risk
- Parentline, a telephone and online counselling and support service for parents and carers in the Northern Territory and Queensland
- Expressive Therapy interventions for young children and infants who have experienced trauma and abuse, or been exposed to violence
- Young Parents Program providing parenting support to help with child development, life skills and health and wellbeing activities in safe, supportive environments.
- Kids Helpline, providing professional counselling and support to 5–25-year-olds across Australia since 1991
- Kids Helpline @ School and Kids Helpline @ High School, which delivers early intervention and prevention programs through primary and secondary schools
- My Circle, a confidential, private, online peer support network for 13–25-year-olds to share information and build coping skills, and
- Mental health service/s for children aged 0-11 years old and their families, with moderate mental health needs.

Kids Helpline

yourtown's Kids Helpline is Australia's only free and confidential 24/7 phone and online counselling service for any young person aged 5 to 25. It offers children and young people a range of care options that are right for their needs and circumstances. Our commitment to being there anytime, and for any reason, has meant that we have responded to more than 8.7 million contacts from children and young people nationally in the 32 years since our service was first established, while also providing tens of millions of self-help interactions via our website and social channels. In 2022, our Kids Helpline counsellors responded to nearly 145,000 contacts from children and young people across Australia, including 5,026 crisis responses for children and young people at imminent risk of harm.

Family and Domestic Violence Refuge and Transitional Housing

yourtown's 100% independently owned and operated refuge funded through community support offers supported accommodation for up to 12 weeks. A specialised team provides women and children with a safe and welcoming environment and creates opportunities for mothers to re-build self-concept and experience control and empowerment over their lives. The wrap-around care also includes linking with transitional housing and community outreach programs for women and children exiting refuges. Transitional housing is a vital steppingstone for women and children moving towards long-term, safe and sustainable independent living in the community. This housing offers a safe and supportive environment for 6 – 12 months, with support for legal and financial matters, accessing pre-employment support, and helping children into school. In 2022-23, we supported 73 mothers and their young children in our refuge and 14 families in our transitional housing.

Children and Families

yourtown provides accommodation and intensive individualised support to vulnerable young parents and their children through our San Miguel service. For over 40 years, San Miguel has provided a place to call home for vulnerable and at-risk families. In 2022/23, San Miguel supported 35 parents and 38 infants and young children.

Early Childhood Development Programs

We support vulnerable pre-school aged children to make a successful transition to school by using prevention and early intervention approaches to create health families and strong, child-friendly communities. This includes working with parents to better understand their child's barriers to reaching social development milestones, how to help them thrive at school, collaborative case management and support, and in-home help. In 2022/23, we supported 179 families in South Australia and Tasmania.

Employment Services

For over 20 years **yourtown** has been delivering specialist youth employment services. Our employment services programs, including Transition to Work and ParentsNext, Skilling Queenslanders for Work, and Get Back in the Game, provide young people with training to expand their options and help them find sustainable employment. Over the last seven years we have secured more than 37,000 job placements for young people. During 2022/23 there were more than 4,000 commencements in our employment services in Queensland, New South Wales, and South Australia.

Social Enterprises

yourtown has worked with young people and employers to break down barriers to sustainable employment for more than 20 years. We deliver a wide range of projects for Local Councils and State and Federal Governments. As a leader in work-based enterprises we provide young people at risk of long-term unemployment paid jobs in the following areas: construction, landscaping, and asset maintenance to help their transition to open employment. In 2022/23, 201 young people were employed in our social enterprises across Queensland, New South Wales, South Australia, and Tasmania, with 90% transitioning into longer term employment in the open labour market or progressing into education.

ParentsNext

ParentsNext is fully funded by the Federal Government. We provide specialised support for parents with children under six years of age, to plan and prepare for their future employment in regional South Australia, from Port Pirie. Our primary goal for ParentsNext is to empower parents to embrace life changes, improve their skills and self-confidence, and achieve their education and employment goals. More than 1,200 young parents participated in our ParentsNext program since it commenced in July 2018.

Parentline

Parentline offers free confidential phone and webchat counselling and support for parents and carers of children in Queensland and the Northern Territory. It offers a safety net for families by providing support when it is most needed. This includes after hours and weekends, where families feel isolated and where local services are unavailable. In 2022/23, parents and carers in Queensland and the Northern Territory attempted to contact Parentline over 12,000 times.

yourtown welcomes the opportunity to respond to the Australian Government's consultation on the principles and priorities of a national blueprint for Australia's not-for-profit (NFP) sector. We welcome the Government's work on progressing its election commitment to support a Blueprint to provide a roadmap for government reforms and sector-led initiatives to boost the sector's capacity to support and reconnect Australian communities.

yourtown has been supporting children and young people across Australia since 1961. We support children, young people and families with mental health and wellbeing, parenting and early childhood development, long-term unemployment, prevention of youth suicide, child protection, and support for those experiencing domestic and family violence. Given our extensive experience, we are well-positioned to provide feedback on the Issues Paper. The following sets out our responses to select questions in the paper.

The not-for-profit sector in Australia

What is your vision or aspiration for the NFP sector over the next 10 years?

Acknowledging the strengths of the sector

While we support policy development to bolster the sector, the existing strengths of the NFP sector must first be acknowledged.

yourtown and the sector have proven ourselves to be resilient, tenacious, innovative, and responsive to need. For decades, the sector has stepped up swiftly to meet emerging needs, and remained undaunted during economic crises, natural disasters, and pandemics. Despite the revolving door of politics and shifting political and policy agendas, the sector has remained steadfast in its service of the community, relentlessly committed to meeting the needs of those who need support.

At **yourtown** have also been deliberate in building a revenue model which is diverse and only partially dependent up Government. Overtime we have strategically adapted our model to diversify our funding sources to include substantial community support through our Art Union and community fundraising, as well as corporate and philanthropic support to secure long-term strength, independence, and sustainability of our services.

However, like other NFPs we are experiencing new and emerging pressures. We are facing increasing demand particularly from clients with complex needs, all within the context of a steep escalation in the costs of doing business and significant workforce shortages. To ensure a sustainable sector, both prevention and early intervention, and funding for servicing demand should be equally prioritised and resourced.

The vision for the NFP sector over the next 10 years should also have clarity on the differences between NFPs and charities. In 2017, there were approximately 257,000 non-profit organisations operating in Australia; of these there were approximately 55,000 registered charities as regulated by the Australian Charities and Not for Profits Commission (ACNC).¹ Charities contribute to the societal, civic, economic, cultural, and environmental dimensions of Australia's life by supporting the communities to meet ongoing and emerging needs. Given the central societal role that charities play, it is critical that the vision focus specifically on the charity component of the sector as regulated under the not-for-profit regulatory framework.

What core values and considerations should guide a 10-year vision for Australia's NFP sector?

The core values that should guide a 10-year vision for Australia's NFP sector include:

- Dignity and respect
- Collaboration

¹ [Review of Australian Charities and Not-for-profits Commission \(ACNC\) legislation | Treasury.gov.au](#)

- Innovation
- Honesty and integrity
- Evidence-informed

What core themes for action should be prioritised in realising this vision? What will be the consequences of no action on these?

Governments need to create mechanisms to distinguish between the general NFPs and the charitable sector that provides services to address communities' needs. This includes updating definitions and terminology, so it is clear the Blueprint is referring to the charitable sector. The Blueprint can then detail focused support for the charitable sector and how it can best keep supporting communities. This can include strategies to enhance prevention and early intervention approaches that will support the sustainability of the NFP sector and reduce the impact of complex and challenging problems.

Measurement, outcomes and quality of service

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

Governments are moving towards inclusion of greater public participation in problem-solving and solutions generation via co-design processes; however, grant funding rarely covers the costs or allows sufficient time for these processes in service design and delivery. **yourtown** regularly advocates to governments to find opportunities in service design and delivery to implement human-centred design² and co-design processes³ rather than general consultation. Solutions that are predetermined by government do not adhere to co-design principles.

Governments must commit to co-design processes prior to tender to best determine the needs of the community. Tender process should be divided into two parts: 1) design and consultation; and 2) tender for the service delivery. Government must allocate sufficient time and budget to ensure the community sector, including service users and those not able to access services, can participate in these processes.

Further, charities invest significant time and resources into maintaining lived experience networks, which is continuous work that extends beyond the life of most grant-funded projects. Overhead allowances should be provided, including remuneration for participants in these processes.

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

yourtown and Meld Studios conducted a human-centred design project to investigate help-seeking behaviours of young people and inform service redesign. This then led to the redesign of our Kids Helpline service, with our team recognised for the quality of their service design work at a prestigious Design Award Ceremony in 2019.

At **yourtown** we are committed ensuring that services for young people are designed “by them, and not to them”. We aim to hear from young people at every level and in all parts of our business including designing services, advocacy, service improvement, evaluation, information technology and in our corporate services. By involving people who use (or potentially use) these services, a human-centred approach is then applied to improve and enhance the service user and staff experience to ultimately create a better service for everyone. This involves collaborating internally and externally to ensure services are centred

² A problem solving technique that places real people at the centre of the development process, enabling the creation of products and/or services that resonate and are tailored to the audience's need.

³ Design process that is participatory, in which community members are treated as equal collaboration in the design process.

around the needs of the user rather than around how the organisation is structured and organised. We have developed guidelines for a human centred approach that revolved around the following:

- Skillsets – research and synthesis, listening, questioning, networking, experimenting, collaborating
- Ways of working – design thinking, systems thinking, future focused, equity driven, and
- Mindsets – curiosity, learning from failure, empathy, embracing ambiguity, optimism, valuing lived experience, self-aware, courageous.

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?

yourtown requires a range of outcomes focused approaches due to the diverse nature of our work with young people focusing on mental health and wellbeing, parenting and early childhood development, long-term unemployment, prevention of youth suicide, child protection, and support for those experiencing domestic and family violence. Performance frameworks vary across our services.

Funders often require measurement of final outcomes; however, this is not possible with services such as Kids Helpline where children and young people value the anonymity the service grants them. Our Kids Helpline service is evidence based and adheres to its program logic; therefore, when we deliver our activities well and achieve our outputs, then we can be confident that we are achieving the anticipated outcomes.

Funding grants tend to focus on the big or final outcomes. They often do not recognise the multitude of outcomes that have been achieved along that enable the achievement of the end milestones. An outcome focused approach should include recognition of the multiple outcomes that are achieved.

A critical component of outcomes is the capturing and security of data. This is a key component of any service delivery and in the ability to measure outputs/outcomes, as such consideration of the costs associated with developing and securing systems needs to be recognised as part of service delivery and funded appropriately.

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

Governments and NFPs both want to solve “wicked” problems. However, by its very nature these problems are difficult, complex, and often impossible to solve, because of the incomplete, contradictory, or changing requirements comprising the issue, and the complex data and information that is needed to inform a best practice approach to addressing the problem.

Inevitably this means that tendering processes often lead to a Catch-22 situation for NFPs.

Government holds the main source of data/evidence highlighting the problem. However, Government does not openly share data to validate or highlight where there are gaps in knowledge prior to a grants process. This restricts full evidence-based collaboration with the community sector to find the best solution. Government should give NFPs access to high quality joined-up data at a population level. Evidence should also not be limited only to data or statistics but must include lived experience and qualitative evidence provided by the community/proposed clients, and workforce. True partnership involves bringing together of two or more parties to share ownership and responsibility for outcomes. If the government is serious about strengthening the data capability and evidence-informed approaches, it also needs to share information, data and therefore responsibility for designing and evaluating what works and the component elements.

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

Common resources or platforms could support the technical aspects of outcomes measurements. NFPs would need to be able to integrate these platforms with their own systems. In addition, these resources and platforms would need to be common across governments so NFPs are not dealing with multiple systems that have the same purpose regarding outcomes measurement.

Common systems whilst would support the capacity to measure outcomes would also come at ongoing cost to maintain. This would need to be considered, as would alignment to data sharing principles and their compliance with the National Privacy Principles.

Policy, advocacy, communications and engagement

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

Often, governments do not conduct consultation until 'past the deadline' for policies and legislation to meaningfully reflect the insights of the sector.⁴ Governments should consult with the sector early in the policy cycle rather than in the middle of the policy cycle when they have already formed the foundations and core components of policies. Including NFPs, young people, and peak bodies earlier will allow for a more iterative, innovative approach that centres lived experience, enhancing the long-term positive impact and cost-effectiveness of public policy and legislation.

Organisations should be free to represent the needs of the communities they service, particularly those with no or limited voice, but they may not be able to when they receive funding from the governments that organisations are trying to influence. If it is governments' goal to reflect the true needs of the sector, and by extension those we serve, it is critical that funding contracts contain a 'no gag' clause.

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

The NFP sector should be a critical voice in policy design as advocates for the people and communities we serve. **yourtown** applies a Human-Centred Design approach in service design to more holistically understand the experiences of those who use our services, as well as their life context, and design for their specific needs. We believe that this approach is more likely to deliver positive long-term outcomes.

There are several key Human-Centred Design tools that are applicable to the sector consultation and policy development. These include creating visualisations of complex systems, prototyping, concept mapping, and narrative interviews.⁵

Where consultations can happen face to face or virtually, NFPs and peak bodies may include representatives with lived experience to enrich discussions and identify where current approaches are working well or falling short. Government has a critical role to play in encouraging and normalising this mode of consultation, as well as 'closing the loop' by demonstrating to stakeholders where their perspectives have been incorporated in post-consultation debriefings/reports.

To mitigate the impacts of financial constraints on advocacy, particularly for smaller organisations, governments should consider building funding for consultation and advocacy

⁴ Maddison, S. and Carson, A. (2017). Researching Not-For-Profit Advocacy. University of Melbourne, Pro Bono Australia, and Human Rights Law Centre. https://civilvoices.com.au/wp-content/themes/probono_theme/download/CivilVoices_reportfornonforprofitadvocacy_Web.pdf

⁵ Blomkamp, E. (2018), The Promise of Co-Design for Public Policy. Australian Journal of Public Administration, 77: 729-743. <https://doi.org/10.1111/1467-8500.12310>

into long-term service contracts, such as Transition to Work. This mechanism would allow providers to feed valuable longitudinal insights back to the Government, beyond the scope of short-interval contract reporting.

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

yourtown undertakes and supports advocacy that is human-centred, impact-driven, and evidence-based. We believe effective and engaged advocacy:

- involves engagement activities with the relevant key stakeholders, including young people with lived experience
- embeds the voices of young people through direct consultation, pulse surveys (like Your Voice), and co-design
- is proactive in rallying other behind our messages, and responsive to emerging concerns
- is based on our own and others' robust research, data, and evaluations, and
- is trusted by young people, our colleagues in the sector, and by Government.

It is critical that **yourtown** and others in the sector foster connections, trust, and buy-in for key initiatives, while creating an external feedback loop that tests and informs the strategy and the efficacy of our advocacy work. **yourtown** regularly works with other private sector entities, individual art union supporters, peak bodies, and other charitable organisations interested in advancing for the wellbeing of children and young people.

To reflect the needs of children and young people more accurately, engaging them as well as other stakeholders in our advocacy work can unify organisations operating across sectors that may not have **yourtown's** independence to advocate freely.

In planning and carrying out advocacy, NFPs should work closely with corporate and philanthropic partners to maximise collective impact and influence.

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

yourtown is committed to continuing to develop productive partnerships within the research sector and with Government, where data and insights are shared to enrich our collective understanding of the challenges children, young people, and families face and to inform advocacy and service delivery. However, the structures need to be put in place to build this evidence base and the sector is not funded to and cannot afford the expense of building the evidence base. Governments have a key role to play in facilitating information sharing across the sector and funding the coordination of assets of the sector to build the evidence base for systemic advocacy and reform.

In recent years the government has cut funding to higher education and its research capacity, and yet their research provides the means for universities and the NFP sector to work together. In particular, the Cooperative Research Centres (CRC) program and the Australian Research Council (ARC) Linkage Program provides opportunities for universities, industry, government, end users, and other partners to collaborate on innovative ideas and solutions to wicked problems. These projects are integral to building the nation's evidence base for systemic advocacy and reform.

Philanthropy and volunteering

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

Charities funded by civil society play a key role in responding to the gaps in government funded service provision. In an age where governments respond to community concerns

regarding unmet social need by arguing their income is infinite, it is charities that are increasingly providing a safety net, often to society's most vulnerable.

Despite this important role, charities are confronted by a significant regulatory burden to fundraise and meet these service gaps. Fundraising regulations are complex, duplicative, time consuming and costly, thereby reducing the financial return from fundraising and the positive social impact from giving behaviour. In relation to our fundraising activities alone, **yourtown** currently invests approximately \$300,000 per annum to ensure compliance with the various Commonwealth, state and territory fundraising legislation. These significant resources could be better invested into work directly supporting our mission. Throughout the NFP sector this amounts to a significant diversion of funds donated by the public in good faith to support charitable causes, for which the public are generally unaware.

Commonwealth, State and Territory governments should partner and co-design with charities a single national legislative and regulatory framework that is fit for the 21st century. National harmonisation is long overdue. In February 2023, the Commonwealth, State and Territory Treasurers agreed to a set of nationally consistent fundraising principles to streamline and harmonise state and territory requirements on charitable fundraiser conduct⁶. However, these principles do not go far enough in reducing the regulatory burden on not-for-profits, particularly charities.

yourtown strongly supports the development of a national regulatory framework with the Commonwealth government becoming the sole legislator of national fundraising activities. To avoid duplication, the existing ACNC needs to take responsibility for the oversight and regulatory administration of national fundraising activity. ACNC-registered charities should only have to apply for a national fundraising licence and not to individual jurisdictions. This will reduce administration and barriers to compliance placed on NFP's.

Strengthening of the ACNC's responsibilities needs to be accompanied by appropriate resourcing to ensure it is equipped to provide national, state and territory governments and the wider community with the information and transparency they need.

Not mentioned in the issues paper was fundraising conducted through charitable lotteries. The majority of **yourtown's** revenue is raised through our charitable lottery. **yourtown** strongly supports regulation of charitable lotteries and their operations, however national harmonisation of fundraising regulation needs to ensure it captures all methods of fundraising including charitable lotteries.

There have been many reviews of charitable fundraising over the years, including recommendations of nationally consistent fundraising regulation. However, there has been very little changes made as a result. We hope to see clear actions towards national harmonisation outlined in this blueprint.

How might the sector adapt to more direct forms of giving?

With the growing prominence of direct forms of giving such as online fundraising, comes the need for not-for-profits to be digitally capable. Not-for-profit organisations taking online donations are custodians of a large amount of donor's financial information making them high targets for cybersecurity attacks. These attacks come with significant consequences including disruption to services, loss of crucial information and damage to trust and reputation. Brand awareness and trust are huge motivations for giving. Without adequate digital capability, organisations are at high risk of losing donors and supporters following a potential cybersecurity attack.

⁶ Agreement reached on reform of charitable fundraising laws. Media release from The Hon Dr Andrew Leigh MP. <https://ministers.treasury.gov.au/ministers/andrew-leigh-2022/media-releases/agreement-reached-reform-charitable-fundraising-laws>

A focus on digital capability and cyber security is crucial if the sector is to adapt and keep up with online fundraising, particularly for smaller organisations who struggle with the high digital upgrade and maintenance costs required. Organisations who cannot adapt to digital fundraising work, will struggle to exist.⁷ Disappointingly, the 2023-2030 Australian Cyber Security Strategy⁸ (Cyber Strategy) fails to recognise charities and the significance of the sensitive data they hold. This is concerning given charities' cyber systems are known targets for foreign entities.⁹ Cyber attacks on specific charities have affected the level of trust that donors have in the environment they are giving. In stark contrast, the Cyber Strategy provides guidance and advice for small and medium sized businesses and the Australian government has allocated more than \$25 million to the Council of Small Business Associations. The Australian Government should comprehensively invest in the cyber security of the charitable sector if it wants the nation to have a 'secure economy and thriving cyber ecosystem' and resilient and secure critical infrastructure, in keeping with its Cyber Strategy.

How should the NFP Blueprint support the goals and required reforms for the National Strategy for Volunteering?

The compliance burden faced by organisations and volunteers is not dissimilar to maintaining a workforce. People's time is limited, and they want to maximise their time volunteering by helping the community, not completing paperwork as part of compliance requirements. The compliance burden would not be sustainable for smaller organisations. Regulations should be streamlined and minimised to ease the burden on organisations and volunteers.

Governance, organisation, and legal environment

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

As we have stated in our section on reforms to increase financial giving, a regulatory framework for the NFP sector needs to take a national approach, with the ACNC becoming the sole regulator. Nationalised standardised requirements will alleviate administrative burdens, simplify compliance processes, and provide clarity on legal obligations for NFP's operating nationally. This will foster a cohesive and supportive regulatory environment enabling NFP's to have their greatest impact.

Improvements that can enhance the regulator landscape include:

- *Streamlined accreditation requirements*

Funding bodies should align accreditation requirements to eliminate the need to hold multiple accreditations that all hold similar scopes. The existing practice places considerable financial burden on organisations, with average accreditation reaching at least \$200,000 per annum, encompassing corporate overhead, external expertise, and licensing fees.

- *Improved governance models*

NFPs should be encouraged to maintain up-to-date websites with accessible information on governance structures, projects, and financial health. They should also implement a centralised online registry to consolidate this information, thereby fostering transparency and accessibility for the public.

- *Appropriate funding*

⁷ The importance of digital capability and cybersecurity is discussed further in the Information Technology, Communication and marketing section of the issues paper.

⁸ Discussion Paper [2023-2030 Australian Cyber Security Strategy \(homeaffairs.gov.au\)](https://www.homeaffairs.gov.au/2023-2030-Australian-Cyber-Security-Strategy)

⁹ [CyberCX Australian Charities Cyber Intelligence Insights Report, December 2023](#)

Governments are increasing compliance regimes and therefore should support NFPs with their costs and resources to be compliant and monitor their standards.

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

Deductible gift recipient status

yourtown supports the deductible gift recipient (DGR) status as a main mechanism for the Commonwealth government to incentivise Australians to donate to NFPs. We recognise that it is the responsibility of the NFP to advertise this DGR status to donors. We agree that there is currently selective application of DGR status to NFPs and support the implementation of consistent guidelines which allow more NFPs to become eligible for DGR status. Again, we believe this regulation should sit with the ACNC as a national approach.

The issues paper only discusses tax mechanisms as an incentive for individual donors. There needs to be consideration of widening tax incentives to encourage businesses and discretionary trusts to increase their charitable giving.

The \$2 tax deductible donation threshold is now too low. Organisations are now expending more on administration burden than they are generating from the amount of \$2 donations they receive. Raising the threshold to \$5 or \$10 would have little impact on the donor and provide charities a means for saving.

Fringe Benefit Tax

The Fringe Benefit Tax (FBT) concessions¹⁰ for the NFP sector have failed to keep pace with the workforce structures and salaries in other sectors, particularly the government and private sectors. This means the NFP sector are no longer as competitive, even though they require the same skillsets from its workforce as other sectors. FBT has not been reviewed since its inception more than 30 years ago. These current arrangements should be reviewed to reassess the application of the original value proposition of enabling the NFP sector to compete with other sectors to attract a skilled and experienced workforce.

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

Board structures should reflect the communities and clients that NFPs serve. Governance standards should encourage diversity and inclusion on boards, ensuring broader representation and lived experience of the communities and people that NFPs support. This process can be facilitated through the setting of targets or guidelines for gender, cultural, skills, and lived experience diversity to bring varied perspectives and expertise to board decision-making.

Governance excellence awards and/or recognition programs should be introduced to celebrate exemplary governance practices within the NFP sector. This initiative motivates boards to strive for high standards, fostering a culture of continuous improvement and providing successful models for others to emulate.

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

Regulatory data should be utilised for the development of benchmarking tools that define industry practices. This information will enable NFP's to assess their performance against established standards. A crucial aspect for the NFP sector is to have clearer guidance on 'what good looks like'.

User-friendly data visualisation tools should be used to translate complex regulatory information into easy-to-understand visuals. This aids both NFP's and the public in

¹⁰ FBT concessions were implemented to enable NFP organisations to: attract staff by offering them access to exemptions in a manner that increases their after tax wages; and reduce their operating costs by providing these benefits in lieu of higher pre tax wages.

comprehending the impact and effectiveness of organisations. As with all technology advancements, investment would be needed to enable the purchase of such tools.

NFPs require training and capacity building. Based on learnings (from industry benchmarking) training programs should be offered to NFPs on how to use and interpret and demonstrate compliance with regulatory requirements.

Leadership and staff development

What should the priorities be for future leadership in the sector and developing the sector's paid workforce and volunteers?

The NFP sector has strong leadership, but they are dealing with increasing compliance. The challenge for future leadership is attracting leaders who are willing to take on the compliance burden that is unnecessarily complicated and for little or no recognition.

What can the sector do to change understanding of the role of overheads in the value it creates for people, society, and funders?

The sector has long advocated for overheads to be appropriately acknowledged and funded. NFPs invest in a range of organisation support systems to ensure quality services are supported, delivered safely, and have the capacity and resources to provide outcomes for communities. The onus is now on governments to develop their understanding of the high cost of delivering high quality and impact services and have this reflected in grants that reflect the true costs and challenges in operating programs and services.

How can we make employment opportunities attractive and build career pathways to develop the paid NFP workforce of the future?

The NFP sector can no longer compete with other sectors in terms of salary and benefits. FBT concessions were introduced to make the sector competitive by offering exemptions that increased employees' after-tax wages; however, the wages in other sectors have increased beyond what the NFP sector offers even with FBT concessions. These exemptions should be reviewed to assess how they can be improved so that the NFP sectors can compete with other sectors to attract a skilled and experienced workforce.

How can the sector coordinate and resource its influence in workforce development with education providers and governments?

Digital health services will be vital to the future growth and success of the Australian health and mental health systems. Investment in this technology requires investment in a workforce with digital capabilities. Kids Helpline is a well-known and well-tested digital mental health counselling and support service for young people aged 5 to 25 years. Over the last 30 plus years, it has demonstrated its ability to scale up quickly and respond to crises such as bushfires, floods, or pandemics. Diversifying the health and mental health workforce to emphasise digital skills and capability would lead to more efficient, accessible, affordable, and quality responses to the help seeking needs of various groups including children and young people. For **yourtown**, this process would include:

- identification of skills and capabilities required for youth-specialist and digital mental health services
- development of a sustainable, innovative, adaptive, and qualified professional youth-specialist mental health workforce
- promotion of education programs to build youth-specialist, digital capability in the mainstream mental health workforce to enable staff to use digital tools and platforms effectively
- development of digital professional skills within tertiary degrees, such as psychology, counselling, and social work, and
- development and funding of information sharing protocols and mechanisms to enhance integration between face-to-face and digital mental health workforces to

improve competency and agility across the sector as a whole to deliver blended models of care where digital mental health services are used in conjunction with face-to-face services.

Governance funding, contracting and tendering

How should government improve the way it funds and contract charities?

Adequate and flexible funding

The government has put in place measures (additional funding, ongoing adjustment to funding indexation, \$560 million in budget allocation) to support NFPs with financial pressures due to additional staff wage pressures and higher inflation outcomes. However, these measures do not include the broader costs that NFPs are required to expend to ensure they are meeting government-driven standards.

Regulatory compliance has increased dramatically over the last few years and looks completely different from 10 years ago. There is a plethora of new regulation requiring complex and costly compliance and reporting, whether to meet data, technology, and information security requirements; safeguarding; modern slavery; human rights; or quality and performance sector standards to name but a few. Topping up funding to address an increase in CPI or wage indexation is like providing funding for icing without fully funding the cost of making the cake.

Grants need to reflect the true costs and challenges of tendering, as well as operating programs and services. This can be achieved by providing funds for specific purposes (e.g. technology) or allocating a proportion of the grant amount for general purposes (e.g. for administration, compliance). NFPs invest in a range of organisation support systems to ensure quality services are supported, delivered safely, and have the capacity and resources to provide outcomes for communities. Examples of additional costs incurred by NFPs delivering contracts that are not adequately covered by the funding envelope include:

- *Technology*
yourtown delivers Kids Helpline, a free and confidential 24/7 phone and online paid professional counselling service for any young person aged 5 to 25 across Australia. The technology cost profile (e.g., for uplift and cybersecurity) of delivering virtual services differs vastly and is continually increasing from when the service began more than 30 years ago, and even during the last 10 years. Of note, cybersecurity costs for organisations which hold sensitive information as is the case for **yourtown** have increased significantly.
- *Administration*
Grants should include a specific additional allocation e.g., 20% of the grant amount, to cover costs associated with capturing, reporting, and delivering data evidencing impact, and to meet increasingly complex regulatory requirements particularly to ensure the safety and wellbeing of vulnerable participants.
- *Compliance, standards, and safeguarding*
The increase in compliance regimes is government-driven but NFPs do not receive support from government to put the systems in place to be compliant or to monitor their standards. NFPs recognise the importance of compliance (e.g. Digital Mental Health Standards, National Principles for Child Safe Organisations, Right Fit for Risk Cyber Security Accreditation, etc) and will pay the costs to implement and monitor standards. The NFP sector has echoed these sentiments to government and detailed the increasing cost of digital technology and infrastructure required to capture data and report on compliance.
- *Evaluation, longitudinal measures, and co-design*

Grant arrangements should fund the different levels of evaluation (e.g., short versus formal) and co-design (e.g. consultation, research, or human centred design) that may be required within the program development and operation lifecycles.

- *Time taken to build trust and relationships with communities*
When co-design is a grant requirement, often the funding allocated does not account for the time and resources required to set up lived experience networks and adhere to frameworks.
- *Staffing and other considerations*
Many grants exclude funding for staffing costs. The implied assumption is that people who contribute to community service delivery should not be paid or that their compensation is not the government's responsibility. This creates a funding landscape that privileges larger organisations with more resources, over smaller organisations that rely on grant funding to deliver essential services. Supplementation and indexation earlier in the financial year would enable better planning and financial management.

Longer term grant agreement terms

Ideally, contracts should be five years in length at a minimum, with an option for up to another five years extension where performance meets or exceeds the agreed key performance indicators. This would include regular set evaluation and review points. Government should recognise that the creation and entrenching of value is more likely to occur in longer-term initiatives. Shorter contracts present risks including higher staff turnover, disruption of service continuity, and inadequate time for NFPs to build trust with communities and gain traction on projects, particularly with vulnerable people and lower socio-economic areas.

One-off grants, without provision for ongoing funding do not lead to sustainable outcomes. While one-off grants are often used to fund innovation, they are rarely followed up by grants to establish the program. This leaves limited avenues for further funding for projects that achieve good outcomes during their pilot. Try Test and Learn was a good concept but there were often very limited pathways for models with good outcomes to become business as usual or for the learnings to be shared and implemented across other areas. Short term funding for projects without planned ongoing funding unfairly raises hopes and expectations of the community, is expensive for NFPs, leads to short term employment and skill development (that is then lost), and does not foster collaboration or sharing of learnings.

How could government funding, tendering, and contracting drive a good balance of collaboration and competition to support innovation in the NFP sector?

Governments need to achieve an appropriate balance between partnering with and supporting trusted community organisations with strong links and ensuring grant funding flows to a more diverse group of NFPs. However, new and emerging NFPs should have opportunities when they can demonstrate a strong value proposition. Innovation funds could be made available whereby NFPs could pitch their concept to advance solutions for 'wicked problems'.

Governments and the NFP sector should be able to discuss the need for adjustments in service delivery and innovation to meet increasing demand or emerging community needs. To meet these demands and needs, governments should recognise the ability of existing providers to be innovative, dynamic, and agile. If existing NFPs with established relationships within a community are achieving the required outcomes and impact, governments should work with these providers to see how they extend their services to meet emerging need or increased demand. If existing NFPs cannot do this, then other NFPs can be given the opportunity. Fostering sector stability and community confidence should be prioritised. Communities should not experience wide-scale upheaval for the purpose of seeking greater

market competition and diversity, unless there is a gap in service delivery that existing providers are unable to meet, or current service delivery is inadequate or underperforming.

Commissioned services can be quite prescriptive in their service model. There needs to be flexibility to adapt service models to specific communities and their changing needs. When NFPs observe changes in community needs, they should be able to approach funders with a proposal informed by evidence and a theory of change to adjust the funding guidelines.

Information Technology, communication, and marketing

What standards of digital capability should the sector aim for and how might these be achieved? How can governments streamline digital systems requirements and support efficiencies for NFP providers?

The NFP sector's focus is on upgrading information technology and digital infrastructure and systems. This development of strong foundations will enable legacy systems to be transferred to modern platforms. It will also allow the NFP sector to interact across sectors (including government) as part of industry and service networks. The sector cannot prepare for advanced analytics when it does not have the systems in place that can efficiently capture the information it needs in real time and transfer information across systems.

The Issues Paper notes that NFP organisational leaders rank workforce cybersecurity skills as a low priority, mainly due to lack of budget. **yourtown** has been purposeful in its cybersecurity strategy due to the data that we hold from our services and art union. We recognise that we are only as strong as our weakest link; therefore, we have invested significantly in cybersecurity and digital skills training modules that are accessible and resonate with staff.

On 5 December 2023, Australia's leading cyber security firm Cyber CX launched a report warning Australia's 60,000 charities that they are at high risk of cyber-attacks, with criminals and even foreign governments looking to exploit the data they hold.¹¹ While the sector wants to be more effective in the digital capability space, it does not have the financial resources of other sectors to: develop strong information technology and digital infrastructure and systems; transfer legacy systems to new platforms; and integrate its systems within organisations and between sectors. As part of the 2023-2030 Australian Cyber Security Strategy, the government is looking to invest national cyber resilience and shifting more of the cyber risk to those who are most capable.⁸ Notably, the Cyber Security Strategy mentions guidance and advice for small and medium sized businesses; however, charities have been left out. Further, while the Australian government has allocated over \$25 million to the Council of Small Business Associations, this has not translated into similar funding for charities.

Given the inequalities in digital systems and abilities between governments and the NFP sector, governments should share the risks and costs where public services are provided by NFP organisations.

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

Lack of affordable digital connectivity, devices and digital ability

There is a misconception that families have devices and data. Lack of affordable digital connectivity, devices and digital ability is a persistent issue for low-income families.¹² These families view devices and connections as necessary to access and use essential services. Further, parents and carers value education and do not want their children to be disadvantaged at school. However, the costs of devices and connections can have a

¹¹ CyberCX, 2023 [Australian Charities Intelligence Insights | CyberCX](#):

¹² Dezuanni, M., Osman, K., Foth, M., Mitchell, P., McCosker, A., Notley, T., Kennedy, J., Marshall, A., Tucker, J., Hourigan, A., Mamalipurath, J., & Mavoa, J. (2023). Digital inclusion is everybody's business: Key findings from the ARC Linkage Project Advancing digital inclusion in low-income Australian families. Brisbane: Digital Media Research Centre, Queensland University of Technology. DOI: 10.25916/cqaadq7

significant impact on household spending. Parents and carers will then sacrifice other spending items or work extra jobs to ensure their children have digital devices and connection. Devices are often second hand, and if damaged but still working, will not be fixed.

Low-income families should have ongoing access to affordable prepaid products (including mobile and fixed line broadband). Devices provided to low-income families should be appropriate and fit-for-purpose. Telecommunication companies should also expand the range of consumer information available and increase consumer awareness of affordable telecommunications products. Support for rural and regional towns to meet the digital inclusion needs of low-income families should account for the resources constraints often experienced by these towns.

Digital skills gaps

There are emerging digital skills gaps for children, teenagers, and parents, and a lack of digital literacy programs addressing these gaps.¹² Existing digital skills programs are usually aimed at seniors. Families need to navigate a range of complex systems across schools, health, and other services. Lack of digital skills and access can impact children and young people's ability to access practical and educational information and resources.¹³ Policies aimed at children and young people's use of and engagement in digital technologies should take a broader focus on digital inclusion and the development of digital skills. Children and young people can then maximise their online opportunities and stay safe online. Moreover, a coordinated approach is required to add digital skills into the curriculum and enhance professional development in digital inclusion. In addition, libraries and community centres can play a central role in increasing digital inclusion because they are safe spaces and offer free Wi-fi. In rural areas, the location of the library should be near transport for the community to easily access support.

Digital devices in schools

Across Australia, there is no consistency on how schools provide technology to low-income families. Bring Your Own Device policies can affect the choice of schools that parents decide to send their children. Schools should have consistent policies relating to the provision of school technology to low-income students.

Leveraging assets and social finance

Is greater knowledge sharing about assets of the NFP sector needed? If so, how might this be done and to what ends?

Some NFPs may have underutilised assets that they may wish to voluntarily publish to support the sector with their causes. However, there is no need for more physical visibility regarding assets of the sector.

What resourcing and regulatory support could be introduced or better used to allow NFPs make best use of their assets in support of operational sustainability and delivering on societal needs?

NFPs may also be holding onto assets for years due to difficulties unlocking bequests. It is very costly for NFPs to go through the trustee process. NFPs should be able to directly engage with public trustees to advocate for a simpler, swift, and cheaper process to unlock bequests. The outcome needed is for NFPs to be able to have assets more easily unlocked so they can be used in support of delivering on societal needs.

¹³ OECD (2019). Educating 21st century children: Emotional wellbeing in the digital age. Retrieved from [Educating 21st Century Children : Emotional Well-being in the Digital Age | OECD iLibrary \(oecd-ilibrary.org\)](https://www.oecd-ilibrary.org/education/educating-21st-century-children-emotional-well-being-in-the-digital-age_12345678)

What models of social finance best suit the needs of NFPs? How can these be encouraged or scaled?

There is no one-size-fits-all social finance approach that best suits the needs of NFPs. The model of social finance should complement traditional funding approaches including grants, subsidies, contracted service delivery, philanthropic funds, and financial institutions. NFPs need to be given flexibility to achieve the best outcome that meets the needs of the community.

What practical steps can the NFP sector take with governments, philanthropy and/or the private sector to redress underfunding and support innovation and financial health of the sector?

There needs to be improved mapping and coordination of state, federal, corporate, and philanthropic funding to avoid service duplication and inefficiencies in delivering services. NFPs should look beyond governments to view how they can work with corporate and philanthropic organisations within the whole-of-community picture. **yourtown** has linked with corporate partners to address gaps in government funding for important services, particularly those services that require and innovative solutions.

We would welcome the opportunity to explore these issues with you in further detail. Should you require further information about any issues raised in the submission, please do not hesitate to contact Tracy Adams, CEO, **yourtown** via email at advocacy@yourtown.com.au.