ACT COSS
Council of
Social Service

Inquiry into Grants Management Submission

About ACTCOSS

ACTCOSS acknowledges Canberra has been built on the land of the Ngunnawal people. We pay respects to their Elders and recognise the strength and resilience of Aboriginal and/or Torres Strait Islander peoples. We celebrate Aboriginal and/or Torres Strait Islander cultures and ongoing contributions to the ACT community.

The ACT Council of Social Service Inc. (ACTCOSS) advocates for social justice in the ACT and represents not-for-profit community organisations.

ACTCOSS is a member of the nationwide COSS Network, made up of each of the state and territory Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS's vision is for Canberra to be a just, safe and sustainable community in which everyone has the opportunity for self-determination and a fair share of resources and services.

The membership of the Council includes the majority of community-based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS advises that this document may be publicly distributed, including by placing a copy on our website.

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Introduction

The ACT Council of Social Service (ACTCOSS) is pleased to make a submission to the Standing Committee on Public Accounts on the Inquiry into Grants Management by responding to the Terms of Reference below.

After consulting with our members, our key concerns relate to the short term, ad hoc nature of many grants which limit sustainable activities. These short term, smaller grants also require significant administrative effort for funding amounts that are not proportionate to the application effort particularly for smaller, mainly volunteer run organisations (see Recommendations 9 and 10). Funding often does not cover the full costs of activities/services or programs and have inflexible criteria which do not allow organisations to respond to community need in a timely manner (see Recommendation 11). In addition, there is an urgent need for greater transparency and communication on grant opportunities and decision- making processes (see Recommendation 4). Further, when a service provider has delivered a grant and meaningful outcomes, there is no mechanism to continue funding. Ending the service often leaves individuals and families without support (see Recommendation 9).

The range and availability of funding for grants programs

It is essential that regular consultation should be undertaken with the community sector to provide expert input into the range and availability of grant programs through the ACT Government. This will ensure that the grants administered are relevant to the community sector and will address current community needs in the ACT.

Recommendation 1: Establish a community sector consultation mechanism to ensure the range and availability of funding for grants programs is meeting community needs in the ACT.

The manner in which grants are determined, including the:

a) oversight of funding determinations.

According to the ACTCOSS commissioned Counting the Costs report, in the last three years 61% of ACT community organisations have decided not to apply for ACT grant or program funding because of poor cost coverage.[1] Organisations have reported that they have made losses and incurred debt from past service delivery and cannot continue doing so, or that they avoid grants where funds cannot be used

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[1] Cortis, N. Blaxland, M. and Adamson, E (2021) Counting the Costs: Sustainable funding for the ACT community services sector

to cover wage and other indirect costs. Others expressed concern about having to rely on volunteers to deliver underfunded programs and said they cannot apply because their volunteers lack time or capacity. The value of ACT Government grants is not keeping up with increasing wage costs or overheads and community sector leaders state that they and their staff are severely overworked and at risk of burnout in the sectors current resource environment.[2]

Research shows that grants for the community sector are often lacking the necessary core funding for indirect costs required to create resilient not-for-profits delivering long term impact on complex social issues.[3] Indirect costs that support the organisation as a whole such as human resources, IT, finance, learning and development, measurement and evaluation are vital to the success of a project. With the increased move to outcomes reporting and measurement, it is important to note that indirect costs are rising, not falling.

Recommendation 2: Increase the ACT Government grants funding amounts to adequately cover staff costs to deliver grant objectives.

Recommendation 3: Explicitly allocate a certain percentage of grant funding to allow for indirect costs in all ACT Government grants.

b) transparency of decision making under grants schemes

Members reported that the decision-making processes for grant schemes was often opaque.

Recommendation 4: To ensure transparency in the grant decision making process, selection criteria, outcomes and reporting requirements should be co-designed in partnership with the community sector and the ACT Government should provide open communication and feedback to all grant applicants.

c) independence of the assessment of projects

Related to the point above, it is often not clear who makes the assessments of grant applications and if they have the relevant background knowledge for these decisions. To ensure that the assessment of grants applications is independent, the community sector and/or a community member with lived experience should be represented and included on the selection committee/panel (taking into consideration conflict of interests). This will provide a combination of relevant expertise and experience to support the objectives of the grant opportunity.

Recommendation 5: Invite community sector and/or community members with lived experience to participate on grants section committees/panels.

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[2] Cortis, N. Blaxland, M. and Adamson, E (2021) Counting the Costs: Sustainable funding for the ACT community services sector

[3] Social Ventures Australia and the Centre for Social Impact (2022) Paying what it takes: funding indirect cost to create long-term impact. Social Ventures Australia

d) scope of Ministers' discretion in determining which grants are approved

ACTCOSS advocates that all grants should be determined to be successful or not through the appointed selection criteria/panel in alignment with the Administration of Government Grants in the ACT A Framework and Best Practice Policy. This document states that the appraisal and selection processes must be free from the risk of political bias.

This is in direct conflict with the ACT Government Grants website which under the section 'What happens after I have submitted my application?', states 'Generally, recommendations are then made to the relevant Minister who makes the final decision'. It is advised that this be changed on the website to reflect the framework of best practice.

Recommendation 6: To ensure that the appraisal and selection processes be free from the risk of political bias, it is recommended that the Administration of Government Grants in the ACT A Framework and Best Practice Policy be followed.

e) adequacy policy and legislative frameworks under which grants are administered

While noting that the document The Administration of Government Grants in the ACT- A Framework and Best Practice Policy has been developed/updated in 2021, it could be refined further in several places outlined below.

Recommendation 7: ACTCOSS recommends that the following items would benefit from being changed/updated in the Administration of Government Grants in the ACT- A Framework and Best Practice Policy:

- *1.5 Governance- officials must provide reasons as to why an applicant is successful.* ACTCOSS recommends that it be updated to state that officials need to provide reasons as to why an applicant was also not successful.

- *3.1 Planning Design and 3.2 Selection and Decision Making -* ACTCOSS recommends that these sections be updated to include:

- consulting and co-designing grants with the community sector

- having community sector and/or community member with lived experience representation on grants section committees/panels.

The measures necessary to ensure the integrity of grants schemes and public confidence in the allocation of public money

As mentioned in points and recommendations above, it is imperative that transparency and independence of decision making and assessment of projects is adhered to in order to ensure the integrity of grants schemes and the allocation of public money.

ACTCOSS has consulted with members and collated comments and issues relating to this inquiry and are summarised below:

- There is a lack of promotion of the grants available for the community sector

- There should be a change in the grants from a financial focus to a wellbeing focus

- The short term, ad hoc nature of many grants limit sustainable activities. Further, when a service provider has delivered a grant with meaningful outcomes, there is no mechanism to continue funding. Ending the service often leaves individuals and families without support.

- These short term, smaller grants also require significant administrative effort for funding amounts that are not proportionate to the application effort particularly for smaller, mainly volunteer run organisations. This deters organisations in submitting an application.

- There is a lack of flexibility in the way in which the delivery of the grant outcomes are achieved. Additional flexibility in the grants relating to the delivery of outcomes will acknowledge that the organisations are the experts in their field and allow them to be able to adapt and respond to emerging community needs.

- Volunteers are integral to many community organisations in delivering grants. Grant funding should include the option for allocating costs for volunteer management such as recruitment, retention, training, ongoing support, and recognition of volunteers

- A clear one-page flowchart should be developed for each funding opportunity to give applicants an overview of the grant process outlining timelines, funding amount, selection committee/panel members and the decision-making process

- There is lack of grant opportunities that focus on climate change and the circular economy space for the community sector.

- The language used in the grant process needs to be accessible in plain English and accessible for CALD and vision impaired communities

- The document on the ACT Government Grants website 'Guiding Partnerships – The Funding Managers' Guide for ACT Government and Community Organisations' needs to be updated as it was developed in 2012. It also needs to be reduced from 52 pages to a less onerous length

- Feedback from ACTCOSS members is that Smarty grants is a suitable and functional platform for the grant application and reporting process and should be retained.

Recommendation 8: Improved promotional strategies be developed to ensure high level awareness of the ACT Government grants program.

Recommendation 9: ACT Government grant program contract lengths and mechanisms for recurrent funding be reviewed to ensure grants have positive and sustainable impact on community issues.

Recommendation 10: Review the administrative requirements and complexity of the application and reporting process of grants to ensure the application process is proportionate to the funding amount and outcomes.

Recommendation 11: Include flexible grant management approaches relating to the way in which grant outcomes can be delivered by the community organisation.

Recommendation 12: ACT Government grant programs to include the option for allocating costs to include volunteer management.

Recommendation 13: Grant process flowcharts be developed for each funding opportunity.

Recommendation 14: Expand funding opportunities to include grants that have a focus on sustainability and circular economy for the community sector.

Recommendation 15: A review of language and accessibility in all ACT Government grant program materials be conducted.

Recommendation 16: Update applicants information resources and documents on the ACT Government Grants website.

Recommendation 17: Smarty Grants platform be retained as a portal for the grants process.

5. Recommendations

Recommendation 1: Establish a community sector consultation mechanism to ensure the range and availability of funding for grants programs is meeting community needs in the ACT.

Recommendation 2: Increase the ACT Government grants funding amounts to adequately cover staff costs to deliver grant objectives.

Recommendation 3: Explicitly allocate a certain percentage of grant funding to allow for indirect costs in all ACT Government grants.

Recommendation 4: To ensure transparency in the grant decision making process, it is recommended to co-design section criteria, outcomes and reporting requirement in partnership with the community sector and provide open communication to applicants regarding grant decision makers and providing feedback to all grant applicants.

Recommendation 5: Invite community sector and/or community members with lived experience to participate on grants section committees/panels.

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ACTCOSS Members consulted:

- A Gender Agenda
- ACT Playgroups Association
- Canberra and Community ADD Support Group
- Gungahlin Community Council
- Hepatitis ACT
- Mental Health Community Coalition of the ACT
- Roundabout Canberra
- Uniting Care Kippax
- Volunteering ACT
- Woden Community Services

Thank you