



Submission to the “Stronger, more independent and diverse community sector”  
Issues Paper  
November 2023

Playgroup Australia acknowledges the Traditional Custodians of the Land on which we play, work and live and recognises their continuing connection to land, waters and community. We pay our respect to them and their cultures; and to Elders past, present and emerging.

## Introduction

Members of Playgroup Australia welcome the opportunity to make this submission to the Department of Social Services' "A stronger, more diverse and independent community sector" Issues Paper.

As the national representative body for providers of playgroup services across Australia, we are eager to share the valuable insights and experiences of our members to further inform the Federal Government's efforts to strengthen the community sector and, in turn, the communities we support.

## Summary of Recommendations

1. Partnership
  - CSOs be consulted as subject matter experts in the design of proposed services.
  - Funding bodies maintain an ongoing dialogue with CSOs throughout the funding period.
2. Funding
  - Develop a new formula to deliver funding increases that meets the real costs of running a CSO.
  - Administrative costs to be sufficiently accounted for in funding contracts.
  - Prioritize excellence and quality in funding applications over mere cost-effectiveness.
  - Acknowledge the investment of organisational resources into building trusting relationships with community, particularly when working with First Nations Communities.
3. Grant Agreement Terms
  - Provide CSOs minimum 3-5 year grants agreement terms.
  - Provide minimum notice periods of 12 months for the commencement, and 18 months for the renewal, adjustment, or cessation of a grant agreement.
4. Flexibility and Diversity
  - Acknowledge the capacity of existing providers to innovate.
  - Streamline funding and activity adjustment processes to allow organisations to respond to evolving needs.
5. Place-based funding
  - Develop a clear definition of "place-based" funding.
  - Allow for place-based approaches within contracts covering broad geographic regions.
  - Improve mapping between all funding bodies to avoid duplication and identify service gaps.

## About Us: Playgroup Australia and our members

Playgroup Australia is the national representative body for providers of playgroup services to children, parents, and carers. Playgroups are sites for young children and their parents and carers to meet for play and learning, peer support, and community connection. The mission of Playgroup Australia is to advocate for playgroups and support our members to strengthen the delivery of quality services to young children and their families.

Our members and service delivery partners support community playgroups across every state and territory, funded by the Australian Government's Children and Parenting Support (CaPS) program. Our members and partners also deliver supported playgroups, through the Information, Linkages and Capacity Building (ILC) program, which strengthen community inclusion and participation for children with disability. Playgroups frequently collaborate with other community service organisations (CSOs) to provide their participants with resources and support, reinforcing their role within the community.

Playgroup Australia and its members want all children and families to have access to affordable local playgroups that meet their needs.

## Responses

### 1. Partnership

#### **CSOs be consulted as subject matter experts in the design of proposed services.**

Members of Playgroup Australia would welcome a partnership that acknowledged their deep roots in their communities, and expertise in service delivery.

As effective CSOs, our members are subject matter experts in their field. They understand best practices, stay up to date with research and innovation, and are constantly connected to the people they serve. Utilising this knowledge to design service delivery models and approaches is crucial to building services that will be successful in engaging and meeting community needs.<sup>1</sup>

#### **Funding bodies maintain an ongoing dialogue with CSOs throughout the funding period.**

Throughout the working partnership, it is essential that funding bodies review and respond to the information being provided to them by CSOs in a timely and meaningful manner.

Feedback on how the supplied data is being used and consultation with CSOs about what other information would improve the relevance of the reporting process would lead to truly valuable insights about the impact of a service<sup>2</sup>.

Seeking data on what inputs are being made by an organisation will help ensure funding bodies are getting a complete picture of the reasons why a program may (or may not) be

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<sup>1</sup> ARACY (2009) Measuring the Outcomes of Community Organisations.

<sup>2</sup> ACOSS (2018) Commissioning and Getting Better Outcomes – Principles and Practice An ACOSS Briefing Note.

successful<sup>3</sup>. Members of Playgroup Australia report that current funding arrangements rarely consider the level of resources required to establish and embed a program within a community. A balanced reporting approach that focuses on outputs, inputs, and outcomes needs to occur to ensure an effective feedback process that actively involves CSOs in re-shaping and refining the programs as community needs change. Members of Playgroup Australia believe that until funding bodies understand the work on the ground that goes into delivering a service (inputs) as well as outputs and outcomes any conclusions about a program are incomplete.

## 2. Funding

### **Develop a new formula to deliver funding increases that meet the real costs of running a CSO.**

Members of Playgroup Australia welcome The Department's acknowledgment of the challenges faced by CSOs in managing real-world funding decreases whilst facing increased demand for services and rising operating costs.

Our members report that post-COVID, there has been increased pressure on their services. The current indexation calculation is inadequate in acknowledging the real increased costs being faced by CSOs, and Playgroup Australia strongly recommends the development of an improved formula that takes these into account.

### **Administrative costs be sufficiently accounted for in funding contracts.**

Administrative costs, in general, are often considered by funding bodies as operational costs outside of service delivery funding, but they offer vital contributions to the end product received by the service user (children and families). Technology costs, staff training, management, and service support (administration) are crucial to an organisation's capacity to deliver high-quality, organised, and efficient services<sup>4</sup>. They are part of what allows an organisation to build its reputation and remain sustainable.

### **Prioritize excellence and quality in funding applications over mere cost-effectiveness.**

Current contracting practices often prioritise larger organisations that have greater opportunities for operational efficiencies and absorbing administrative costs. This creates a competitive environment where, to secure funding, CSOs are forced into a position of creating funding applications for the least possible amount of money, rather than for maximum impact. Whilst our members recognise the benefits of a competitive process in terms of CSO growth and innovation, Playgroup Australia strongly urges funding bodies to prioritize excellence and quality in funding applications over mere cost-effectiveness.

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<sup>3</sup> Productivity Commission (2010) Contribution of the Not-for-Profit Sector.

<sup>4</sup> NCOSS (2022) The High Cost Of Doing Business – Administrative and Management Overload In Smaller NGOs.

## Acknowledge investment of organisational resources into building trusting relationships with community, particularly when working with First Nations Communities.

Playgroup Australia would also like to emphasise the view of our members that current funding arrangements do little to acknowledge the investment of time and resources that successful CSOs must make in order to build relationships, partnerships, collaborations, and reputation within their communities. This is particularly true when working with First Nations Communities. Future grants should ensure that this work is adequately funded within the contract.

### 3. Grant Agreement Terms

#### Provide CSOs minimum 3-5 year grant agreement terms.

Our members have been running playgroups across Australia for more than 50 years, and understand the time, resources, and consistency involved in becoming a trusted provider. It can take years, especially in remote areas and when working with First Nations Communities.

Members of Playgroup Australia recommend a minimum of 3-5 year grant agreement terms for all CSO programs that are intended to be ongoing/long-term. There are a myriad of benefits to having longer contracts including the ability for organisations to create informed strategic and business plans, the ability to offer staff stability and certainty, and an opportunity to evaluate and adapt the service model to meet evolving community needs<sup>5</sup>. Most importantly, it allows the CSO to build meaningful and trusting relationships with their community leading to improved outcomes.

#### Provide minimum notice periods of 12 months for the commencement and 18 months for the renewal, adjustment, or cessation of a grant agreement.

Clear and adequate notice periods are vital for allowing CSOs to plan for their future and offer their workforce the care and security they deserve. Yet this process often remains opaque, and information is received by CSOs with minimal notice to enact any required changes<sup>6</sup>. Members of Playgroup Australia recommend a minimum notice period of 12 months for the commencement of funding and 18 months for the renewal, adjustment, or cessation of a grant agreement. This not only allows CSOs to do their due diligence in terms of governance, business planning, and financial forecasting in alignment with the financial year, but will also allow them to execute their duty of care for their employees and communities, supporting them through any changes as they occur.

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<sup>5</sup> NCOSS (2022) The High Cost Of Doing Business – Administrative and Management Overload In Smaller NGOs.

<sup>6</sup> ACOSS (2022) Community Sector Survey 2022.

#### 4. Flexibility and Diversity

##### Acknowledge the capacity of existing providers to innovate.

Members of Playgroup Australia would encourage government funding bodies to consider the distinction between encouraging innovation and what is simply “new”. Redesigning and retendering service delivery funding creates significant administrative costs for CSOs and changes can lead to the loss of organisational, program and community knowledge.

*The process of redesigning the Play Connect program to the Play Connect+ and opening this up for competitive tender not only created significant administrative burden for organisations supporting the delivery of playgroups across Australia, but resulted in the loss of organisational and local level knowledge as well as service delivery expertise that would have benefited the children and families participating in this program.*

Our members have been operating programs deeply rooted within their communities for decades. Leveraging this existing community relationship and building the capacity of established organisations to innovate and explore new funding opportunities is an efficient strategy for ensuring services are being delivered by CSOs who have strong and trusting relationships with the communities they serve. The success of a project is often reliant on the relationships and trust between people and organisations. Playgroup Australia recommends that program design and funding processes first examine existing programs, what is already working at a local level, and how the capacity of existing programs can be built to meet additional community needs before exploring open competitive tendering processes.

##### Streamline funding and activity adjustment processes to allow organisations to respond to evolving needs.

In terms of flexibility of funding, real-time flexibility should be incorporated throughout the delivery of the program. CSOs, being embedded in their communities, are often able to self-identify adjustments or changes that may improve a program but have limited recourse for feeding this information back to their funding body.

Our members frequently encounter challenges concerning unspent funds and the cumbersome process of obtaining funding body approval to carry these funds forward. Delays in Activity Work Plan approvals or other administrative procedures often lead to unspent funds, compelling CSOs to hastily readjust budgets for the fiscal year's remainder. Playgroup Australia members strongly advocate for the automatic rollover of unspent funds into the following financial year when the funding is set to continue.

To be able to reallocate unspent funds to additional needs relevant to the funding stream, or to increase service capacity for the remainder of the funding period, with minimal application process means that the funds can be used to support those who need them most, when they need it<sup>7</sup>.

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<sup>7</sup> Blaxland, M and Cortis, N (2021) Valuing Australia's community sector: Better contracting for capacity, sustainability and impact.

## 5. Place-based approaches

### Develop a clear definition of “place-based” funding.

Local knowledge is key to the delivery of successful programs, however, the scope of the definition of “place-based” is unclear. This could include online communities or other groups that share connections outside of their location.

Members of Playgroup Australia also note that a place-based approach often does not fully appreciate the diversity within a location or that similarities can exist for groups separated geographically. For example, some of our members established online playgroup sessions during the pandemic. This identified a cohort of families with children who are unable to leave their homes due to severe illness or disability who are currently under-served, resulting in isolation and lost learning opportunities.

### Allow for place-based approaches within contracts covering broad geographic regions

The recent trend towards awarding contracts for large geographic regions, including state-wide and nationally has created challenges for the CSOs involved in delivering these programs to meet the specific local needs of individual communities. Members of Playgroup Australia recommend allowing multiple jurisdictional-specific activity work plans to fall under the broader funding arrangement, to enable service delivery to be tailored to the needs of a specific region or group of children and families.

### Improve mapping between all funding bodies to avoid duplication and identify service gaps.

A multitude of duplications exist across services funded by various levels of government. Playgroups are key service model elements of numerous programs funded at both state and federal levels despite well-established and funded Playgroup programs already existing within that community. It is the experience of our members that despite being able to successfully establish community playgroups in areas where there are “service gaps”, they have historically been overlooked as service delivery partners and new programs are introduced in the same community without consultation.

*If we look at Communities for Children place-based funding, silos of service are created with families being overwhelmed with choice in the suburbs and yet there are still few services in rural areas. This is, however, where community playgroups thrive...*

Members of Playgroup Australia recommend detailed service mapping and coordination of services across all levels of government to create a clear picture of needs, ensure equitable service access Australia-wide and, afford opportunities for collaboration and partnership with existing community resources.

## What does success look like?

For PA members, success looks like:

- Organisations being accountable but afforded flexibility and funding security.
- CSOs will be able to offer their workforce job security and permanent employment and greater opportunities for growth.
- Communities are afforded the security of knowing where to find support, and CSOs can develop a deeper understanding of community needs.
- Services can thrive and innovate, leading to better outcomes for our communities and consistent support for children, parents, and carers across Australia.

We thank The Department of Social Services for the opportunity to make a submission. For clarification or questions regarding any of the content of our submission, we can be contacted via [ceo@playgroupaustralia.org.au](mailto:ceo@playgroupaustralia.org.au) .

Yours Sincerely

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