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Australian Government  
Department of Social Services  
GPO Box 9820  
Canberra ACT 2601

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Dear Community Services Advisory Group,

Thank you for the opportunity for the [Foundation for Rural & Regional Renewal](#) to make a submission to the '*Developing a National Not-for-Profit Blueprint*' issues paper.

The Foundation for Rural & Regional Renewal - FRRR - (phonetically: F-triple-R) - is the only national foundation specifically focussed on ensuring the social and economic strength of remote, rural and regional communities. FRRR's unique model connects common purposes and investment of government, philanthropy and businesses with locally prioritised needs, to create communities that are vital and resilient. Since FRRR's formation in 2000 as a limited company with the Australian Government and Sidney Myer Fund as members, it has delivered over \$177 million to more than 14,000 projects.

Having reviewed *the Developing a National Not-for-Profit Blueprint* issues paper, FRRR's response is based on the following considerations and through the lens of the remote, rural and regional (RRR) communities we work with:

1. **Meaningful co-design** at the genesis of funding programs, and as circumstances evolve, is key to successful outcomes for projects being delivered by not-for-profits (NFPs), especially small and largely volunteer-led organisations. Those doing the work are best positioned to know what is most needed, what it will cost to deliver and how long it will take.
2. **Flexible granting** is key, especially when working with smaller organisations and RRR communities impacted by workforce shortages, economic pressures and ongoing natural disasters.
3. **Elevating the NFP sector** by ensuring the workforce is paid competitively, lifting the profile of how essential NFPs are to communities, effective storytelling and celebrating the sector to ensure a future pipeline of workers and volunteers.
4. **Utilising the experience and expertise of an intermediary organisation** like FRRR, which is well placed to ensure an equitable distribution of funds and to provide the wrap around support smaller NFPs need to build capacity and be effective and competitive for grants.

Should you have any questions in relation to our submission, please contact the FRRR team at [info@frrr.org.au](mailto:info@frrr.org.au) or (03) 5430 2399.

Kind Regards

Natalie Egleton  
Chief Executive Officer  
On Dja Dja Wurrung Country



## Submission of the Foundation for Rural & Regional Renewal to 'Developing a National Not-for-Profit Blueprint'

*The Foundation for Rural & Regional Renewal (FRRR) makes the following comments, numbered in accordance with the questions set out in the [Not-for-Profit Sector Development Blueprint Issues Paper](#):*

### 2. The not-for-profit sector in Australia

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

It is FRRR's vision that NFPs across remote, rural and regional Australia are equipped with sufficient resources to achieve their aspirations to support their communities to be vibrant, sustainable and resilient.

For us, that means that there has been sufficient investment in the capacity of NFPs so that they can continue their vital work to support their community through whatever disruption, challenge or opportunity arises, as a community.

In the next 10 years, we will see the continuation of natural disasters impacting communities, on top of the urgent need to take climate action and address the increased housing supply challenges – to name a few. In remote and rural areas, the simple fact is that distance, isolation and small populations do not fit the economics of mainstream models of service delivery. Consequently, most of these communities are underserved in basic standards of living, including access to healthcare, transport, fresh food, education and childcare. Beyond this, the provision of cultural, economic and social inclusion activities is essential for liveability and wellbeing.

NFPs fill the gaps and deliver innovative service solutions that keep remote and rural towns alive. It is important to note that in remote and rural settings, the NFP sector is diverse, grassroots, serve multiple functions and is driven by the local community. These include Progress Associations, Community Centres, Meals on Wheels, Environmental Groups, Aboriginal Corporations, Senior Citizens, Men's Sheds, Country Women's Associations, Agricultural Show Societies and Event Committees, as just a few examples.

The NFP sector is the social fabric that so many across Australia lean on when times are tough and so often the means to act on opportunities. We need to invest in the sector to strengthen the weave of that fabric, for the betterment of Australia's future.



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

- access and equity;
- inclusion and lived experience - 'nothing about me, without me';
- fairness; and
- appropriate payment, in recognition of value.

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

It is FRRR's belief that the following core themes and action should be prioritised in realising the vision:

- investing in the capacity of the NFP sector, so that they can in turn, focus on strengthening the social fabric in their communities;
- enabling community-led solutions to be incubated, fostered and supported for ongoing sustainability; and
- providing remote, rural and regional NFPs a voice and pathway for their perspectives to be heard and acted upon. In FRRR's 2021 [Heartbeat of Rural Australia](#) study, only around half of respondents agreed that they could influence decisions made about their area.

In our day-to-day work, we have seen the clear benefits and impacts of acting in this manner. We've also seen the consequences of inaction, including

- Continued scale back and/or wind up of vital community services, leading to decreased liveability across remote, rural and regional Australia, including:
  - more incidents of people's health declining, as people fall through the cracks (e.g. no volunteers to drive them from their remote town to regionalised hospitals for treatment);
  - decreased wellbeing due to fewer opportunities for social connection and non-clinical mental health support (e.g., men's sheds cutting back on available services / hours); and
  - fewer people willing to live in remote areas due to a continued reduction in available services (e.g., no proximate available early learning places).
- This will contribute to decreased economic activity in remote, rural and regional towns. In FRRR's 2021 Heartbeat of Rural Australia study, 87% of the 638 respondents stated that their NFP organisation contributes to their local economy. With NFPs already under financial strain, inaction will have a direct economic impact.



- We fear that this will lead to a downward spiral - communities with decreased resilience, fewer people, decreased economic activity and the community are generally less able to respond after each successive disruption or to lean into opportunities as they arise.
- Overall, this means greater cost to Governments and the broad market failures experienced by remote and rural communities being exacerbated.

### 3. Measurement, outcomes and quality of services

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

FRRR's Investing in Rural Community Futures (IRCF) program is a five-year, place-based NFP sector capacity building initiative that is an excellent example of co-design best practice for the NFP sector. FRRR's experience delivering this program in eight communities over five years also highlights that for the process of community-led co-design to be effective, a long-term investment of time is essential. The recently published [IRCF Learnings and Insights Report](#) outlines the program and examples of co-design in much more detail.

However, in summary:

FRRR's IRCF program invests in the long-term sustainability of the local not-for-profit sector in remote, rural and regional communities. The IRCF program is underpinned by a hypothesis that communities will be more likely to experience long term sustainability if the local community sector is strong, resilient, and capable of leading change in an increasingly complex and turbulent socio-political environment.

Each IRCF community is supported through a consistent approach utilising a co-design process to develop a local NFP sector roadmap, employing a local facilitator to support collaboration, coordination, ideation, and connection, active engagement of Local Government, the involvement of locally governed NFPs, and providing funding to support capacity development and collaboration.

Learnings and insights on the effectiveness of community-led codesign from FRRR's five years of experience delivering the IRCF model in eight different communities in NSW include:

- **Time:** using a multi-year, community-led, trust-based approach;
- **Trust:** starting with the premise that each community and its people are best placed to know what's needed and what will work for their region;
- **Tenacity:** focusing on capacity building and collaboration towards achieving outcome and remaining flexible and responsive to challenges that arise.



### **3.1.3. What would an outcomes focussed 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?**

Many existing funding programs approach outcomes through singular foci, such as health, education, food security or housing. In remote and rural areas, all issues are cross-cutting and usually delivered addressed by a small number of organisations, yet most are required to 'carve up' their work to fit specific focus areas of grant programs or policy settings, resulting in disjointed delivery and inefficient use of limited resources. As a result, much effort tends to be directed to activities rather than outcomes. Place-based co-design that allows for the outcomes that are relevant to that community to be agreed would see greater ownership and sustainability over time. This approach calls for mindset and behaviour change across the NFP sector, philanthropy and Governments. Our experience is that current funding systems drive competitive mindsets and detract from outcomes-focussed effort. This kind of change takes time and scaffolding support from an intermediary such as FRRR.

Approaching grant funding with the understanding that flexibility is essential to achieve long-term outcomes is crucial. Working with the NFP sector is complex. Further, it is challenging at the start of a community-led and co-designed process to know exactly how it will all play out over time. By working in an outcomes-focussed way, the timeline becomes less important than the impact, which could de-couple government grants from acquittals based on specific hard deadlines and associated financial claw-back penalties, instead focusing on acquitting once the outcome has been achieved.

For example, in FRRR's IRCF program on the South Coast of NSW, communities have been moving through the recovery process from the Black Summer bushfires. In addition to this, they have also been significantly affected by the pandemic and subsequent severe weather events. Meeting the community 'where they are' and moving at their pace has been essential to enable ongoing capacity building and collaboration across the NFP sector in these communities. While the original timeline for the programs has shifted, the outcomes are still being achieved.

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

FRRR believes that this question should instead be less about NFPs needing to become data capable and informed by evidence than it is about the need for all levels of government to play a role in democratising the data that is currently available only to governments and those businesses and foundations who can afford access.



Currently, the ability of the NFP sector to work in ways that are informed, led and iterated by evidence is severely hampered by the quality of, and access to, data available to NFPs and individuals across our communities.

An example of the enabling role that democratising data can play is the [Bega Valley Data Collective](#). Partnering with Seer Data & Analytics, FRRR made our Heartbeat of Rural Australia study datasets freely and openly available to all community groups for use at the local level. We also delivered workshops to assist local NFPs understand how to use and leverage the data. The Bega Valley Data Collective was established off the back of that and is now collecting open-source data and developing its own platform to influence decision-making about its region.

The Vital Signs tool used by Community Foundations is another excellent example of the power of data to support communities to lead and influence change on key issues and outcomes. As an example of its application, The [Northern Rivers Community Foundation](#) has recently published its Vital Signs report. While an excellent tool that has a great deal of potential, broader adoption is hindered by the quality and consistency of publicly available data.

## 4. Policy, advocacy, communications and engagement

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

- Proactive consultation and co-design at the genesis of projects is essential. However it also needs to occur as outcomes are realised or changes occur in the operating environment. New priorities need to be agreed and regular check-ins should occur to ensure that the work is still going to achieve relevant outcomes;
- Remunerating those voices that are consulted and engaged, so as not to further drain the NFP sector of its available resources through consultation.
  - By way of example, one regulated consultation process has resulted in FRRR contributing over 12 hours to one business needing to fulfil their consultation requirements, while saying no to requests for a further four days of time. We were one of many organisations in the room being consulted, with very little benefit to FRRR in the process.
- Seeking out diverse voices across demographics, geographies, remoteness and size of organisation to ensure the quieter NFP voices in remote, rural and regional communities are heard. These organisations are often reliant on volunteers and, again, should be remunerated for their time and contributions.



- A recent example of the value of investing in the resourcing and capacity of small NFPs to advocate for policy and service outcomes is in the NSW town of Junee, where the last remaining bank branch was at risk of closing. As an ageing community with many small businesses and limited transport, retention of the local bank was a major priority for the town. The Junee Community Centre Manager played an integral role in the presentation of community needs and the consequences of a bank closure at the Senate Hearings held in Junee. FRRR's funding of the Centre to expand the advocacy role of the Manager meant that the voices of those experience disadvantage and hardship were heard, which significantly influenced the retention of the local bank.

## 5. Philanthropy and volunteering

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

FRRR made a submission to the Productivity Commission's Inquiry into Philanthropy, where we provided more information about our views on this question. You can [read the submission on the Inquiry site](#).

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

- Positive storytelling about the impact of donations of all sizes on small RRR organisations.
- More visibility of philanthropy to small RRR NFPs.
- Broader three-way partnerships between the Government, Philanthropy and intermediary organisations like FRRR to ensure more NFPs have equal access to funding, not only those with skilled fundraising teams.
- A greater recognition of the value of 'overhead' and 'business as usual' in the NFP sector.

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

- Identify the most pressing needs through engaging with organisations like FRRR that are already on the ground doing community needs assessment in RRR communities.
- Invest in local leadership development and capacity building for small NFPs to grow their sustainability over time.
- Utilise data and insights from expert intermediary organisations like FRRR, which has been assessing community grant seeking needs for more than two decades.
- Utilise technology to connect donor and volunteer resources more directly to small RRR NFPs.





- Focus on long-term solutions, empowering communities to become self-sufficient through programs like FRRR's IRCF capacity-building program.
- Remain flexible and open to community-led ways of working and volunteering.

## 7. Leadership and staff development

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

- Recognising that a well-run volunteering initiative can't happen in a vacuum – often the most helpful resource for a volunteer-led organisation is a paid role to co-ordinate volunteer recruitment and retention activities and help minimise burnout.
- Investing in professional development for NFP leaders and connecting them to broader networks for learning and continual innovation in their sector. This is especially true for RRR leaders who can feel quite isolated and alone in their work.  
Recently, as part of FRRR's Investing in Rural Community Futures program, a delegation of 17 leaders from rural NFPs attending the Social Impact in the Regions conference in Coffs Harbour. The outcomes were noteworthy and included a sense of connection and belonging to a greater social sector purpose, a reduction in feeling isolated in their local work, and the establishment of a new network of peer and expert support that has endured post conference. Several leaders also took the learnings from the conference back to their local community to share with all the local NFPs and leaders, leveraging the investment in attending the conference. Another example is FRRR's development of [an expertise pool](#) focused on connecting communities with advisors and consultants familiar with the RRR context.
- Focus on effective governance and succession planning.
- Focus on getting young people connected to the NFP sector in ways that are meaningful to them and not relying on existing volunteer recruitment pathways and governance models. An example that has proven highly successful in engaging youth volunteers is [Regional Education Support Network](#), offering young people an online opportunity to support peers in regional areas without access to peer-based coaching and educational support. Another example is FRRR's approach to the FRRR ABC Heywire Youth Innovation grants. The Program Advisory Committee comprises Heywire alumni, who are mentored by FRRR Directors and donor partners but undertake the role of reviewing grant assessment undertaken by our team and making granting recommendations to FRRR's board, bringing their lived experience to the table. FRRR provides training in governance and assessment, further strengthening their capability to take on leadership roles in their communities.
- Measure outcomes and impact to demonstrate why the work is so important and inspire future workers and volunteers with what they can help achieve.





- Celebrate! So often small NFPs don't have the budget to really celebrate their paid workforce and volunteers. Investing in people will reap long term benefits.

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

- The '[Paying What it Takes](#)' report presented in March 2022 by the Centre for Social Impact, Social Ventures Australia and Philanthropy Australia recommended that a minimum of 30% of what is being granted for project delivery should be allocated to indirect costs to adequately support the overall management and sustainability of CSOs. FRRR supports this proposal as a step towards ensuring adequate funding is available to value the embedded and ongoing costs of delivering effective programs and projects and leading to better outcomes.
- Shift the narrative away from low overhead ratios to focus on the outcomes NFPs are achieving and the long-term benefits to their community.
- Re-frame 'overheads' through education and storytelling to ensure there is a broader understanding of how NFPs function and how important 'overheads' are to the delivery of their vital services to the community.
- A multi-pronged approach changing the mind-sets of Government and philanthropic funders along with communities themselves. In the recent [FRRR IRCF Learnings and Insights report](#), it was noted that shifting mindsets in community from scarcity and competition to sustainability and collaboration is a process that takes time and trust.

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

- Linked to the question above, ensuring NFPs are adequately resourced to provide competitive wages, benefits and professional development opportunities to their employees.
- Lifting the profile of the NFP sector as an important career opportunity where you can have a huge social impact.
- Ensuring there is representation of education and training pathways to prepare people for NFP careers, so that it's an intentional choice rather than an accidental one.
- Clearer pathways for career progression within the NFP sector through collaborations, partnerships and career mentoring. Especially for small RRR NFPs with only one or two staff members, the ability to move between organisations in a collaborative way would do much to retain talent in the NFP workforce and attract new talent.
- For those working in the NFP sector in RRR communities, greater flexibility in work arrangements would be attractive for workers who may feel that the best NFP career opportunities are focussed in the metro areas. This could have the added benefit of attracting talent from metro areas to bolster small NFPs in RRR communities.



#### 7.1.4. How might the sector make more of its 'for purpose' status to attract and retain paid and volunteer workers?

- **Effective storytelling around connecting work to doing good.** In a recent FRRR youth forum as part of the ABC Takeover program, a group of approximately 35 high school aged young people in Mildura were asked to share what they knew about the NFP sector and opportunities for future work. They came up with three examples, all larger NGOs in the region. The forum then focussed on introducing young people to local NFPs and opportunities in the sector and they were asked the same question again. They had 30+ examples and many were excited about potential career opportunities where they could find employment while also pursuing something they were passionate about in their community.
- **Improving the visibility, perceived status, working conditions, benefits and pay to that of working in a for-profit company.** Working in the NFP sector is often viewed as something that is a 'labour of love'. Paid roles are often poorly compensated compared to the for-profit sector, with paid hours supplemented with necessary / expected unpaid hours to get the important work done. This 'labour of love' mentality leads to a high rate of turnover and burnout in the sector. If the underlying mentality shifted and working conditions were adequately funded to be more favourable, the NFP sector would be very attractive to paid workers.
- **Celebrating and recognising the value of volunteers.** The declining volunteer workforce is a huge challenge, amplified in RRR communities where volunteer-run NFPs provide vital services to their communities. Leveraging the 'for purpose' narrative to better celebrate the work of volunteers in RRR communities could lift the profile of these opportunities. Offering some kind of official recognition of volunteer hours that links to education and future career opportunities would also lift the profile. For example (in addition to the 'nomination' programs already in place to recognise volunteers who go above and beyond), a formal recognition of volunteer hours that is simple to track and validate without putting too much burden on small NFPs and the volunteers themselves.
- It is important to note that for many remote and rural communities, the outcomes delivered by voluntary NFPs is not seen as volunteering, but rather simply getting things done to keep their towns alive and thriving. Volunteering is not a choice; it is a necessity. As such the framing of recognition should go beyond the notion of giving of time in the service of good to the critical role that this time and talent has in supporting quality of life in remote and rural areas.



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

Provide hyper-local data to inform a deep understanding of the NFP workforce gaps across RRR Australia

- Use this understanding to inform education opportunities to better upskill the sector, and provide low or no cost access and funded on the job training opportunities e.g. paid traineeships
- Incentivise NFP workforce opportunities, especially those in RRR Australia
- Provide adequate funding for NFPs to attract and retain their workforce.

### **8. Government funding, contracting and tendering**

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

By recognising that collaboration involves resourcing that is above the 10% allocated to overhead expenditure in government grants.

#### **Further information**

FRRR appreciates the opportunity to contribute to this important discussion. We welcome ongoing conversations with the Department of Social Services on how we might be able to support government to build a stronger, more diverse and independent community sector, with a targeted focus on ensuring grants reach and have an impact in remote, rural and regional Australia.

We would welcome the opportunity to elaborate on these comments and share more of our insights. If you would like to chat further, please email [info@frrr.org.au](mailto:info@frrr.org.au) or call 03 5430 2399.