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Submission to the Independent Review of Commonwealth Disaster Funding

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Submitted by: Benefolk Foundation

Q1. What experience have you had with Commonwealth disaster funding support?

We have not received funding from the Commonwealth.

Benefolk Foundation (formerly The Xfactor Collective Foundation) received funding through The Department of Communities and Justice NSW NGO Flood Support Program to offer trauma prevention and workforce wellbeing and resilience training to not-for-profit organisations in seven flood impacted Northern Rivers LGAs. Between March and August 2023 it delivered training to 160 leaders, staff and volunteers in 137 Northern Rivers organisations, and delivered online training resources to 257 organisations.

After hearing participants talking about the training, further training was commissioned from two NSW local councils and a group of not-for-profit leaders in CBD Sydney. These programs provided valuable data and insights we share in question 5 below.

Two philanthropic funders have also seen the need for strengthening the social sector workforce. Equity Trustees funded our organisation in 2020 to conduct the RESET 2020 National Need + Impact Research Study (n. 338) which was the first time not-for-profit leaders were asked questions relating to organisational and workforce wellbeing and resilience. The results were concerning:

- Over 40% said they felt stressed, anxious, overwhelmed, frustrated, cynical or exhausted often or always.
- 80% believed pre-pandemic ways of working were exacerbating the problem.
- 40% of organisations have 6 months or less in operating reserves (which could be connected to some of the funding design limitations as outline in question 2).

Survey responses from our work in 2023 as highlighted below shows a negative trending trajectory.

As a result of the RESET 2020 evidence base, Lord Mayor's Charitable Foundation provided funding to build a response, The Community Well, Social Sector Wellbeing and Resilience Hub, benefolk.org/wellbeing. Newly opened, it is a free online platform with 80+ resources to help all not-for-profits in Australia be disaster ready.

The Community Well needs further funding, including from the Commonwealth, to keep it running, to inform not-for-profits about the resources and keep building and delivering training. This training can be





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deployed face to face in Australian LGA's, as recently conducted in Northern Rivers and Sydney, as well as provided online for access to all.

Responses such as below from a drug and counselling organisation, as well as the data below, show the need.

March 16, 2023

"I have searched all over the place to find recommendations on how to implement a wellbeing strategy for my organisation, including asking a lot of different agencies, researching online, contacting organisations that consult (I was given a quote for \$60k to create a strategy, entirely unaffordable for a small NGO) and I have read numerous journal articles to try and work out how to do it myself.

I need the resources as we have had two staff experience psychological injuries, and we want to prevent further injuries, as well as genuinely support our staff to thrive in the work they do. I am so relieved to find the hub and learn that I can get clear guidance and resources in an accessible and easy to digest way. Thankyou so much, this is an absolute life saver!"

Q2. How could Commonwealth funding support communities to reduce their disaster risk?

To start we would like to thank and acknowledge the Commonwealth for the funding it provides and plans to provide.

The not-for-profit sector needs strengthening to be effective disaster partners.

Commonwealth funding can contribute to communities reducing their disaster risk by alleviating funding constraints faced by the not-for-profit sector. Not-for-profits are spread across the country and hence, defacto disaster responders. Yet the vast majority are ill equipped for this role. If better equipped they could play a stronger role. This can be done via improving the design of government funding criteria.

Why does this sector need strengthening?

The not-for-profit sector is struggling due to funding constraints that pre-date recent disasters. Much funding, including from government, is short term and single project, a challenge when demands are continuing and growing. This results in their focus being on their survival, addressing service delivery demand and dealing with staff turnover (related to the confronting nature of work, low pay, job insecurity due to single year funding and other constraints). Marginal overheads leave no room to support their organisation or people, let alone to build capacity, conduct professional development / training, address their mental health and resilience risks and have breathing room to reflect and problem solve. As one not-for-profit leader in Kyogle told us,

"I can't find people, keep people - who would want to work in this sector?"

Government can design funding criteria to strengthen not-for-profits by providing:

- More equitable funding - especially for small to medium sized organisations in regional and rural areas to redress the skew that 10% of charities receive 94% of donations (McLeod, J 2016. The Support Report, JBWere.)
- Secure funding - multi-year funding so outcomes can continue, benefits be ongoing and talent retained beyond 1-year contracts. The Northern Rivers Flood Grant Forum on August 1 reiterated





this with groups saying "we have had 1 year of support but the demand is still there. What do we do now?".

- Flexible funding - adequate funding for 'indirect, untied or core costs' such as fundraising, HR, finance and management, rather than predominantly to direct costs (projects / programs). Not-for-profits need to put funding where it's most essential. This approach can be accountable via using payment by outcomes (see trial by the Department of Social Services).
- Lean funding - minimising lengthy grant writing and reporting processes.
- Capacity building funding - strengthening organisational function, professional development and leadership capability (e.g. fundraising, strategy, IT, evaluation - which we provide through our social enterprise Benefolk).
- Capacity building for workplace wellbeing and resilience - e.g. through supporting our charity arm Benefolk Foundation to keep running and promoting the free online new Social Sector Wellbeing and Resilience Hub, The Community Well.

Strengthening not-for-profits via improved funding design will allow them to go beyond survival. It will allow them to build capacity in areas such as staff wellbeing and prevention of trauma. This will enable them in areas of disaster preparedness and risk reduction, with a strengthened workforce to face future challenges.

Q3. Please describe your understanding of Commonwealth disaster funding processes.

We hear from not-for-profit leaders that funding processes are prohibitively complex and demanding. The result of this is more time spent on administrative tasks and less time able to be dedicated to supporting the community. These are key impacts that have contributed to our formulation of suggestions as listed in question 2, specifically More equitable funding, secure funding, flexible funding, lean funding and capacity building funding.

We have developed a resource in The Community Well which outlines ways that funders can support wellbeing indirectly and directly. This can be found at

benefolk.org/wellbeing/advocacy/what-does-funding-resilience-and-wellbeing-look-like

There is an opportunity for government to rectify these funding design issues so not-for-profit groups can reduce disaster risk and be better prepared to support their communities.

Q4. Are the funding roles of the Commonwealth, states and territories, and local government, during disaster events clear?

No response provided.

Q5. Is there any further information you would like to provide?

The final comment we would like to offer is the need to train and upskill the social sector workforce in strengthening organisational wellbeing and resilience, including prevention of mental health injury, burnout and trauma. This will enable them to be more effective partners in disasters.

The social sector workforce are not adequately trained in disaster preparation, response or recovery.

- Many not-for-profit organisations are now on the 'accidental frontline' – dealing with distressed individuals and families.



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- They are not classified as emergency relief and they are not SES, police and ambulance that we associate with frontline - they don't have training in this area.
- Yet disasters drastically impact those that work with elderly, children and youth, health, homeless people, people with a disability, those experiencing homelessness, mental health issues and other vulnerable members of our community.
- Disasters emphasise and exacerbate pre-existing demand and resource issues.
- Workers and volunteers in not-for-profits are the people that remain when emergency services and defence leave.
- If we want a strong community we need a strong not-for-profit workforce.

Findings from trauma prevention and workplace wellbeing training to not-for-profit leaders (Northern Rivers March-May 2023 and Sydney CBD July 2023, n. 117) to "What are the barriers to upskilling in this area?"

- Budget: 34% of organisation leaders do not have budget to invest in training.
- Time: 41% don't have the time to invest in training. One organisation leader said to us: "Do I Prioritise my staff's training in trauma, or the woman who just arrived sleeping in her car with 3 children?".
- Client demand: 73% say their clients and community take priority.
- Access: 56.4% say that trainings are not available locally (in regional / rural areas).

None of the participants in Sydney CBD training (n.42) highlighted access as an issue. This highlights the need for training in regional / rural areas in particular. The Sydney group reinforced the barriers of budget (40%), time (62%) and client demand (43%), showing common barriers across the sector.

Yet the need is there, Northern Rivers survey responses showed:

- 55% of participants are concerned for the mental health and wellbeing of their team.
- 50% have had limited training in trauma.
- 81% want to grow their understanding of trauma.

As a result of the Northern Rivers training, we were contacted and commissioned to train 2 local councils who told us they are not adequately trained in this area, and the demand is growing. We have resources and, pending funding, can provide training and further support to not-for-profits across Australia.

We appreciate you conducting this review and would welcome further discussion about any of the above.

