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Needs Analysis of Tasmanian Neighbourhood Houses

Report Prepared for the Department of Premier and Cabinet

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Glossary

Acronym	Definition
ABCD	Asset-Based Community Development
ABS	Australian Bureau of Statistics
ACNC	Australian Charities and Not-for-profits Commission
ANHCA	Australian Neighbourhood Houses and Centres Association
CCP	Community Connector Program
CFLC	Child and Family Learning Centre
CPI	Consumer Price Index
DPAC	Department of Premier and Cabinet
FTE	Full Time Equivalent
KPI	Key Performance Indicator
NHT	Neighbourhood Houses Tasmania
SCHADS Award	Social, Community, Home Care and Disability Services Industry Award
SEIFA	Socio-Economic Indexes for Areas
TMSA	Tasmanian Men's Shed Association
WPI	Wage Price Index

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Executive Summary

Overall finding

Neighbourhood Houses are a longstanding and important part of Tasmania's community infrastructure. They provide trusted, accessible, and locally governed places where community members can connect, participate, seek practical assistance and access pathways to other services. Their value is particularly evident in communities experiencing socio-economic disadvantage, isolation, limited service access or demographic change.

Tasmania has a valued, extensive and highly adaptive Neighbourhood House network with strong foundations on which to build. Houses are deeply connected to their communities, supported by committed staff, volunteers, and boards, and have demonstrated considerable flexibility in responding to changing local circumstances. Community survey evidence reinforces this public value, with 95% of 2,741 respondents rating Houses as very or extremely important, 96% reporting good or excellent experiences, and 90% agreeing that Houses are trusted organisations.

The broader evidence base also shows that Neighbourhood Houses contribute to social connection, community participation, wellbeing, volunteering, resilience, and earlier access to support. Research conducted in Gippsland in 2020[1] estimated that every $1 invested in Neighbourhood Houses generated approximately $2.78 in social and economic value. While this evidence is not specific to Tasmania, it illustrates the wider public value that can arise from place-based prevention, connection, and service navigation.

However, the purpose and the practical role of Neighbourhood Houses have evolved organically over time. Houses established principally as community development organisations are now responding to a much broader range of needs, including cost-of-living pressure, housing stress, food insecurity, social isolation, service navigation and, in some cases, people experiencing acute distress or crisis. This expansion has been influenced by changing community need, gaps in surrounding services, local responses, and government funding decisions, including the Community Connector Program. Consultation evidence consistently indicates that Houses are being drawn into increasingly complex forms of support, although existing data does not consistently quantify the volume or complexity of these presentations.

Between 2020-21 and 2024-25 total employment across the network increased by approximately 30%, from an average of 3.0 FTE to an average of 3.9 FTE per House, and total funding for Houses has increased over this same period, including through the Community Connector Program and a Cost of Living Booster. Core funding for Neighbourhood Houses in Tasmania is strong compared to other jurisdictions, however governments in other states more frequently provide additional program specific support (e.g. 150 Victorian Houses also receive funding for adult education programs).

This evolution has not been accompanied by a consistently agreed contemporary purpose for the network. While Houses value their independence and capacity to respond flexibly to their communities, there is not a sufficiently clear or shared understanding between Houses, Neighbourhood Houses Tasmania, and the Tasmanian Government about:

- the core purpose government funds Neighbourhood Houses to fulfil
- the functions and minimum service expectations contained within that purpose
- the appropriate boundaries between community development, service navigation, referral, advocacy, and direct support
- the minimum workforce, safety, governance, and operating requirements necessary to fulfil that purpose
- which additional activities should be supported through other government programs, partnerships, external grants or locally generated income.

This lack of commonly understood purpose is a core factor in the issues identified through this needs analysis. It contributes to uncertainty about workforce requirements, funding adequacy, role boundaries, accountability, reporting, and the respective responsibilities of the Tasmanian Government, Neighbourhood Houses Tasmania, House Boards, and House Managers.

However, clarification of purpose alone will not address all of the challenges identified through this review. Evidence from the needs analysis points to a range of funding, workforce, safety, governance, and operating

[1] *https://morwellnh.org.au/wp-content/uploads/2024/02/Deloitte-July-2020-Estimating-the-social-impact-of-Gippslands-NHs.pdf*

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pressures across the network. Consideration will also need to be given to the sustainability of funding and operating arrangements to support any future agreed role of Neighbourhood Houses.

A contemporary agreement on purpose should therefore precede, or at least occur alongside, detailed decisions about future funding and operating arrangements. It should preserve the local autonomy that enables Houses to undertake targeted and tailored community development and respond to community needs, while recognising that local discretion does not, by itself, create an obligation for government to fund an unlimited or progressively expanding range of functions.

Strengths to protect and build upon

Houses are trusted, accessible, and deeply connected to their communities

Neighbourhood Houses operate through strong local relationships, community participation, and detailed knowledge of local circumstances. Their accessibility and informality allow them to engage people who may face barriers to formal services or who may not otherwise seek support.

The network has a substantial presence in communities experiencing socio-economic disadvantage and in rural and remote locations where access to other services is constrained. Community needs modelling also demonstrates that need takes different forms across Tasmania, including entrenched disadvantage, housing pressure, ageing, isolation, population growth, remoteness, and limited service availability. Nine catchments were identified in the highest-need tier, while other catchments contain concentrated disadvantage that may be obscured in broader catchment averages. This reinforces the value of a place-based model that can adapt to local circumstances.

Houses also provide locally accessible infrastructure during periods of community disruption. Consultation evidence identified that Houses, particularly in rural communities, may support emergency preparedness, response, and recovery by providing practical assistance, coordinating referrals, and helping community members navigate periods when other services are absent, delayed or difficult to access.

The network has demonstrated considerable adaptability and resilience

Houses have evolved their programs, partnerships, and day-to-day activities to respond to changing social, economic and demographic conditions. Staff, volunteers, and boards frequently adjust local delivery in response to emerging needs, service gaps, and changes in the communities they serve.

This adaptability is an important strength. It demonstrates the responsiveness of locally governed organisations and the commitment of the people who sustain them. It has also enabled the role of Houses to expand without equivalent changes to their formal purpose, workforce capability, funding settings or supporting systems.

The same flexibility that makes Houses effective can expose staff, volunteers, boards, and community members to role expansion, safety risks, and unsustainable expectations unless it is supported by clearer boundaries, adequate workforce capacity, and effective referral and escalation pathways.

Tasmania has strong foundations for a more connected network

Tasmania already has an established statewide footprint, comparatively high core funding per House, a peak body, locally governed organisations, and extensive partnerships. All Houses reported valuable current partnerships, although their scale and form vary considerably. These relationships help Houses connect community members with specialist support, expand local community participation, and deliver activities that individual Houses may not be able to provide independently.

The opportunity is therefore not to replace the underlying model or remove local control. It is to strengthen the common foundations around the model so that Houses can operate safely, sustainably, and consistently while retaining the flexibility to respond to their communities.

Neighbourhood Houses Tasmania also provides an established platform for sector advocacy, peer connection, professional learning, governance support, and access to shared resources and expertise. These functions are valuable in a decentralised network of independently governed organisations and provide a foundation for stronger network-wide coordination. There is an opportunity to build on this contribution by clarifying NHT's mandate, distinguishing its peak-body and membership functions, and aligning expectations with the role and capacity government agrees to fund.

Strategic challenges and opportunities

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Purpose and boundaries of Neighbourhood Houses

The most significant challenge is the absence of a consistently agreed position on what Neighbourhood Houses are funded to do.

The distinction between community development and direct service delivery has become increasingly blurred. Houses may variously provide community activities, practical assistance, emergency relief, service navigation, referral, advocacy, and ongoing support to people waiting for specialist services. In some circumstances, staff and volunteers are also responding to acute distress, challenging behaviour or other high-risk presentations.

The Community Connector Program, designed to provide Houses with an additional resource to facilitate warm referrals of people presenting to Houses with complex needs to specialist support services, has also been interpreted by some as expanding the role of Houses to include directly responding to these presentations.

Not every House undertakes the same activities, nor should local flexibility necessarily be removed. However, without common agreement on core purpose, it is difficult to determine:

- what constitutes an appropriate baseline operating model
- which activities should be reflected in core funding
- what skills and staffing coverage are required
- when Houses should refer or escalate a matter rather than directly respond
- what outcomes government should expect
- what information Houses should report.

The Tasmanian Government, through consultation with Neighbourhood Houses Tasmania and the network, should establish a contemporary purpose that defines the community development role of Houses and establishes clear boundaries around service navigation, referral, advocacy, practical assistance and direct support, including acceptance that establishing boundaries will necessarily mean that local needs may go unfulfilled. Government should then determine which aspects of that role it will fund and the outcomes expected from its investment.

Where support falls outside the agreed role, effective referral and escalation pathways are necessary, particularly in communities where alternative services are limited, distant or experiencing high demand. Even with these pathways, some community needs may remain unmet where the wider service system does not have sufficient capacity. A statewide view of referral pathways would help identify the perceived service gaps currently being filled by Houses, the government agencies to which those needs relate and opportunities to strengthen coordination, referrals, and funding responsibilities.

Houses should retain the ability to undertake additional activities in response to local priorities. Where those activities fall beyond the agreed government-funded purpose, Houses may need to seek appropriate funding from other sources (e.g. short term funding, partnerships, cross-government investment, external grants or locally generated resources) rather than being assumed to form part of the core funding obligation.

Definition of a minimum safe and sustainable operating environment

Once the government-funded purpose is agreed, the parties should define the minimum operating environment required to deliver it safely and sustainably.

The existing requirement that each House has a minimum of two full-time equivalent (FTE) staff does not necessarily ensure that two staff members are continuously available onsite, particularly after allowing for leave, training, outreach, meetings, and unplanned absences. Houses also rely heavily on part-time, casual and project-funded employees, volunteers, and the discretionary effort of key individuals. Volunteers remain central to the model but cannot reasonably substitute for paid workforce capacity in areas needing consistent availability, specialist capability, formal accountability or higher-risk decision-making.

The minimum operating model should establish:

- safe staffing and coverage requirements
- the respective roles of paid staff and volunteers
- minimum workforce capability, training and supervision
- safety, incident management and escalation requirements
- core governance, administration and compliance functions
- baseline technology and information requirements
- access to specialist advice, debriefing and referral support.

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Government funding should then be designed around the reasonable cost of this agreed minimum operating environment. That does not necessarily mean funding every current activity or meeting every request for additional resources. It means establishing a transparent connection between the purpose government has agreed to fund, the minimum capacity necessary to fulfil that purpose, and the public funding provided.

A funding model aligned with purpose, need, and operating context

A revised funding framework should distinguish between:

1 a common baseline funding supporting minimum safe and sustainable operation

2 an adjustment for material differences in community operating context and need

3 targeted adjustments for defined additional outcomes where remoteness, limited alternative services or other critical operating circumstances create unavoidable additional costs

4 sustainable arrangements for property maintenance, compliance, and asset renewal.

The current funding framework retains a needs-based foundation, but additional funding streams have compressed differences in total funding between categories. The resulting variation is small compared with differences in community need, service access, and operating context across the network.

Ongoing funding decisions should consider the inflationary pressures relating to the workforce and non-workforce components of House expenditure. Award increases have exceeded the existing grant indexation rate in four of the last five years. It is noted that inflationary pressures including recent changes to pay rates under the Social, Community, Home Care and Disability Services (SCHADS) award is an issue impacting the broader community services sector, and is not unique to Neighbourhood Houses, and that the Tasmanian Government is working with the sector on the issue.

Targeted or separately commissioned funding could support additional priorities such as social connection, food security, digital inclusion, health promotion or service navigation. Where these activities relate to the responsibilities of other government agencies, funding arrangements should identify the intended outcome, responsible agency, role of Houses, duration, workforce implications, and reporting requirements.

Property maintenance and renewal also need a sustainable approach. Homes Tasmania has invested more than $1.18 million in maintenance and compliance works since July 2021 and identified an estimated deferred maintenance liability of approximately $2 million across the portfolio. Future arrangements should clarify responsibility for maintenance, compliance, lifecycle renewal, and preservation of these community assets.

Any revised funding model should be tested against both the existing funding envelope and alternative scenarios before implementation.

Strengthening of network-wide support without undermining local autonomy

The decentralised structure of the network supports community ownership and local responsiveness, but it also results in variation in governance capability, systems, evidence, and access to specialist support.

Role boundaries between House Boards and managers are not always consistently understood. The respective responsibilities of the Department, Neighbourhood Houses Tasmania, and independently governed Houses also need clarification. In particular, the distinction between network-wide peak-body functions, membership services, and optional services should be made explicit.

There are also opportunities to reduce duplication and improve consistency through network-level arrangements. Potential areas include:

- governance and leadership development
- shared specialist advice
- workforce and volunteer resources
- common technology platforms and systems
- insurance and collective procurement
- standard policies, templates, and reporting tools
- safety and incident-management support
- peer networks, mentoring, relief and backfill arrangements
- coordinated analysis of emerging community needs.

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The objective should not be to prescribe identical services or operating practices across all Houses. It should be to establish common foundations and support arrangements that allow each House to exercise local discretion within clear roles, minimum standards, and accountable funding arrangements.

Priorities for the future

The needs analysis identifies a pathway to strengthen the Neighbourhood House network while preserving the local trust, flexibility and community ownership that underpin its success.

The report contains a substantial and interconnected program of recommendations. Implementing these recommendations in full will require sustained effort over multiple years by the Tasmanian Government, Neighbourhood Houses Tasmania and Houses. The recommendations should not be treated as a single package of actions to be implemented at once. Some improvements can commence in the near term, but the broader reforms will need to be carefully designed, tested, sequenced and supported by appropriate transition arrangements.

The pathway is organised around three connected priorities. These priorities provide a logical sequence rather than a rigid timetable. Foundational work under Priority 1 should guide the design of later reforms, while selected actions that do not depend on those decisions may progress concurrently.

1. Establish an agreed purpose and funding compact

The first priority is to develop a shared understanding of the contemporary purpose and role of Neighbourhood Houses, the outcomes government expects from its investment, and the boundaries between community development, service navigation, referral, advocacy, practical assistance and direct support.

This is foundational work and should be undertaken with sufficient analysis, consultation and testing to establish a clear and durable agreement. The objective should not be to reach an interim position primarily to enable other reforms to proceed. Decisions made through this process will shape the future workforce model, funding framework, governance arrangements, accountability settings and reporting requirements for the network.

This work should be supported by targeted analysis of the referral pathways available to Houses, including an evaluation of the Community Connector Program and identification of gaps or barriers that affect Houses' ability to connect community members with appropriate services. The analysis should remain focused on the information required to clarify the role and referral functions of Neighbourhood Houses, including circumstances in which pathways are unclear, unavailable or difficult to access, particularly in regional and remote communities.

The resulting compact should also clarify the respective responsibilities of the Tasmanian Government, Neighbourhood Houses Tasmania, House Boards and House Managers. Until these matters are sufficiently resolved, detailed decisions about the minimum operating model, future funding framework, workforce expectations and reporting requirements would necessarily remain provisional.

2. Align funding and operating arrangements with that purpose

Once the role and funding scope of Houses are sufficiently defined, the minimum operating model and associated funding arrangements should be progressively designed, costed, modelled and tested.

This work should establish the workforce, staffing coverage, safety, governance, compliance, administrative, technology and asset requirements needed to deliver the agreed role safely and sustainably. It should then determine the reasonable cost of those requirements and provide the basis for a transparent baseline funding model.

This priority will involve several stages, including detailed design, costing, scenario modelling, consultation, testing and transition planning. Elements of the future operating and funding model may therefore need to be introduced progressively rather than through a single implementation event.

Any material change to funding or operating arrangements should be supported by transition planning that considers workforce stability, existing commitments, organisational readiness and continuity of community access.

3. Build a connected, well-governed and evidence-informed network

The Tasmanian Government, Neighbourhood Houses Tasmania and Houses should progressively build a more connected, well-governed and evidence-informed network while maintaining local autonomy.

This priority encompasses a broad portfolio of governance, workforce, volunteer, reporting, evidence and shared-capability reforms. These reforms vary in scale, complexity and readiness and will need to be sequenced according

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to their dependencies, the capacity and mandate of the responsible organisations, and the availability of appropriate resourcing. Priorities include:

- strengthening governance and leadership capability
- improving workforce and volunteer sustainability
- establishing consistent safety and workforce capability standards
- supporting collaboration, shared learning and access to specialist expertise
- streamlining reporting requirements
- strengthening approaches to identifying community need and measuring outcomes
- improving the evidence available to inform future planning and investment.

Some practical activities may commence while the foundational work is underway, particularly where they address safety risks, strengthen governance capability, reduce unnecessary reporting duplication or improve the available evidence base. However, reforms should not pre-empt decisions about the purpose of Houses, role boundaries, funding scope or the future operating model.

Addressing the three priorities will require sustained commitment, coordinated governance and appropriate resourcing over multiple years. Progress should be reviewed periodically, with sequencing adjusted as foundational decisions are completed, evidence improves and implementation experience is gained.

Implementation approach

Implementation should be approached as a coordinated, multi-year reform program rather than as a series of standalone or immediate actions. The number, breadth and interdependence of the recommendations mean that they cannot all be implemented at once.

The roadmap therefore prioritises establishing the foundations for reform, particularly an agreed purpose, clear role boundaries, an agreed funding scope and a defined minimum operating environment, before dependent changes to funding, workforce, governance and reporting arrangements are finalised.

Implementation should be guided by clear ownership, proportionate reporting, evidence-based decision making and appropriate transition arrangements. Any expansion of network-wide functions, including functions led by Neighbourhood Houses Tasmania, should be supported by a clear mandate and an assessment of the funding, staffing, systems and specialist capability required to deliver them.

Throughout implementation, the parties should protect continuity of community access and the characteristics that make Houses effective, including local trust, community ownership, flexibility and responsiveness. The objective is steady and sustainable improvement, with reforms introduced at a pace that allows them to be properly designed, understood and embedded.

Collectively, these priorities are intended to create a more sustainable, accountable and evidence-informed Neighbourhood House network that remains responsive to local communities while operating within a clearer and better-supported framework.

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1 Introduction

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Scope of this needs analysis

This needs analysis of the Neighbourhood House network and its peak body (Neighbourhood Houses Tasmania) was commissioned by DPAC to enable the Tasmanian Government to better understand local community needs and make informed, sustainable decisions that support the place-based work delivered by Houses.

The scope of the needs analysis comprised:

- staffing, volunteers, and their safety
- operational costs
- existing tiered framework for funding
- support being provided to local communities, including how community needs are identified and prioritised
- location of Houses in relation to need
- governance framework and the role of the peak body
- opportunities for community capacity building and partnerships
- funding arrangements across the neighbourhood house sector, reporting and potential streamlining of administrative functions.

Method and approach

The needs analysis drew on a range of quantitative and qualitative evidence sources to understand existing funding, governance, reporting, service delivery arrangements and to develop, test, and validate findings and recommendations.

Evidence sources

Evidence source	Explanation
Survey	A survey distributed to House Managers and board chairs received 246 responses from House Managers and staff, board members and chairs, volunteers and House users across all Neighbourhood Houses. The survey gathered quantitative and qualitative information on service delivery, accessibility, workforce and volunteers, funding, reporting, governance and the perceived value of Neighbourhood Houses.
Request for Information (RFI) Workbooks	Structured RFI workbooks – distributed to DPAC, NHT and all 34 Neighbourhood Houses to collect quantitative and qualitative information relating to workforce and volunteers, finances, governance, service delivery, reporting and operations – received 28 responses, along with supporting documentation.
Roundtables	Three regional roundtables – conducted in Northern, North-Western and Southern Tasmania, with participation sought from House Managers and Board Chairs across the network, plus two additional online roundtables held to enable participation from individuals unable to attend in person – were used to test and validate emerging findings from the survey and RFI process and to identify regional differences and practical operational challenges.
Targeted interviews and stakeholder discussions	Seven targeted interviews included participants from DPAC, NHT, remote and island-based Neighbourhood Houses, Houses experiencing significant service demand, and Houses operating outside NHT membership, the Australian Neighbourhood Houses and Centres Association (ANHCA) and the Tasmanian Men's Shed Association (TMSA). The interviews were conducted to further explore issues identified through the surveys, RFI workbooks and roundtables.
Community Needs Modelling	Community needs modelling – undertaken separately by .id Consulting under a separate project specification – informed aspects of the analysis presented in Chapters 5 and 6 of this report.

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Evidence source	Explanation
Jurisdictional Analysis	Jurisdictional analysis – undertaken separately by DPAC to provide comparative analysis of Neighbourhood House models from other jurisdictions – informed Chapter 9 of this report.
Document and data review	Further document and data review – including grant deeds, reporting and performance information, governance policies, previous reviews, consultation records, needs modelling and jurisdictional analysis – was undertaken to understand the operating environment, funding arrangements, governance settings and previous consultation outcomes as relevant.

Findings presented in this report were developed through consideration of information and evidence across a range of data sources. While some evidence sources provided a stronger evidentiary basis than others due to their breadth, quality or level of corroboration, no single survey response, interview, roundtable discussion or document was treated as conclusive in isolation. Findings were informed by the totality of evidence available, with the greatest weight given to themes that were consistently observed across multiple data sources and stakeholder groups. Where evidence was mixed, conflicting or limited, this has been noted in this report.

Overview of Neighbourhood Houses in Tasmania

Neighbourhood Houses provide place-based settings in which community members *"come together and find support, belonging and purpose as they work together to support their local community."*[2] They operate on a community-led basis, offering a range of programs and activities designed to respond to local needs delivered by paid staff and volunteers, and overseen by a volunteer board.

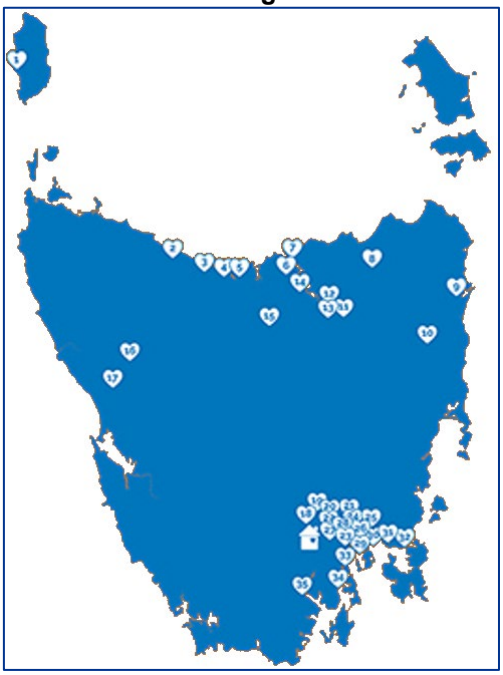
At the time of commissioning of this report, there are 35 Neighbourhood Houses across Tasmania, including 34 Houses funded by the Tasmanian Government and one, Dowsing Point Community Centre, funded by the Australian Government. Dowsing Point Community Centre was closed during the period of this needs analysis so was not included in the consultation process. Ash Cottage, a new Neighbourhood House operated by Health Action Team Central Highlands joined the network during the analysis period and contributed to consultations, however was outside the scope of data analysis. Unless otherwise specified, references throughout this report relate to the 34 state-funded Houses that participated in this analysis. Tasmania's Neighbourhood Houses form part of a national network of around 1,000 Houses[3].

[2] *https://www.nht.org.au/neighbourhood-houses-tasmania*
[3] *https://www.anhca.org/findahousecentre*

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Figure 1: Geographic distribution of Neighbourhood Houses across Tasmania



Source: Neighbourhood Houses Tasmania

Neighbourhood Houses provide significant community benefits in building individual and community resilience, social participation, and improved wellbeing, as well as generating substantial social return on investment[4]. They are among very few – in some areas the only – community development organisations that are regularly and reliably open to the general public.

Neighbourhood Houses are highly independent in both governance and operations, focusing on place-based and community-driven missions that respond to the needs of the local people they serve.

Community development approach

Community development is the foundation of the Neighbourhood House model and is the primary approach through which Neighbourhood Houses support individuals, families and communities. It is a locally-led, place-based approach that is designed to empower communities to identify their own priorities, build on local strengths and assets, and work collectively to create positive change. Rather than defining needs and solutions on behalf of communities, community development emphasises participation, local ownership and the active involvement of community members in shaping, delivering and evaluating initiatives that affect them.

Within the Neighbourhood House model, community development is both a process and an outcome. Houses are intended to act as trusted local hubs that bring people together, strengthen social connections, foster belonging and inclusion, and create opportunities for participation and leadership. Through ongoing engagement with community members, volunteers, local organisations and service providers, Houses identify local needs and aspirations and support communities to respond in ways that reflect local circumstances and priorities.

Importantly, community development differs from service delivery. While community development activities may facilitate access to services where required, its core purpose is not to provide services on behalf of government or other agencies. Instead, community development focuses on enabling communities to participate, connect, learn and take collective action, recognising that the way activities are developed and delivered is as important as the activities themselves. Community development therefore provides the mechanism through which Neighbourhood Houses contribute to stronger, more connected and more resilient communities.

How are Neighbourhood Houses organised?

Government

The Tasmanian Government funds Tasmania's Neighbourhood Houses through DPAC.

[4] *https://morwellnh.org.au/wp-content/uploads/2024/02/Deloitte-July-2020-Estimating-the-social-impact-of-Gippslands-NHs.pdf*

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Peak body

Neighbourhood Houses Tasmania (NHT), an incorporated association, is the peak body representing the Neighbourhood House network. NHT and each individual House operate as independent entities. NHT's role is to *"represent, support and enable"* the network of Houses across Tasmania[5].

Under their grant deed, NHT is funded by DPAC *"for the purpose of enabling [NHT] to operate as a peak body, representing the interests of its member Neighbourhood Houses – in addition to working to raise the standards of community development practice, governance, community engagement, and the skills and training of its members."*

Houses

Neighbourhood Houses are typically constituted as incorporated associations, responsible for their own governance and management. Governance of Neighbourhood Houses is held locally by volunteer boards that oversee a single House, or in a minority of cases, two Houses. Grant deeds explicitly require that governance of each House is kept separate from day-to-day management.

The Board is accountable to its membership and to the government (through grant deeds) for maintaining effective governance processes including compliance, financial viability, and the strategic and policy framework of the House. Boards are expected to include members with the right mix of skills to meet their responsibilities, and to maintain a sustainable quorum. Several provisions are included in the governance requirements of grant deeds to protect against conflicts of interest amongst board membership.

The Neighbourhood House Program grant deed states that funding is provided to Neighbourhood Houses to build community capacity through connecting communities, supporting people, creating opportunities, developing local leadership, and delivering specialised programs and services.

Additionally, the delivery of programs by Houses should contribute towards the improvement of four population-level outcomes:

1 The local community is made up of individuals who feel empowered to reach their potential.
2 The local community is made up of strong and supportive families.
3 The local community is safe, inclusive and resilient.
4 The local community has good general health and wellbeing.

However, the broad nature of these objectives means they do not provide a detailed description of the specific role and service scope expected of Houses.

Each House employs a House Manager, responsible for operational and day-to-day running of the House. In larger Houses, an additional leadership role such as a coordinator is sometimes used. House Managers are supported by a workforce of staff and volunteers. The manager of each House is accountable to the board.

Volunteers are central to the Neighbourhood House model, supporting day-to-day operations, program delivery, community activities and the welcoming, informal environment that distinguishes Houses from many other service settings. Volunteers bring significant local knowledge, relationships and capacity, and are coordinated by the paid staff team.

Property ownership

Homes Tasmania owns 25 of the 34 State-funded Neighbourhood House properties across Tasmania and is responsible for the ongoing management and maintenance of these properties. Ownership of the remaining nine properties is held by Local, State, and Australian Governments and, in two instances, by the House entity itself.

Neighbourhood Houses in practice

Neighbourhood Houses have been a feature of Tasmanian communities for decades and have evolved alongside the communities they serve. While their core purpose has remained largely unchanged, the social, economic and demographic environment in which Houses operate has changed significantly. Population ageing, changing patterns of volunteering, increasing compliance expectations, growing social complexity and rising community need have altered both the nature of demand placed on Houses and the operating context in which they function.

The evidence gathered through this needs analysis suggests that the strengths which have historically underpinned the success of the Neighbourhood House model remain evident today. However, it also suggests that some of the

[5] *https://www.nht.org.au/about-neighbourhood-houses-tasmania-inc*

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governance, workforce, funding and support arrangements surrounding the network have not evolved at the same pace as the environment in which Houses now operate.

Although the delineation of purpose, roles and responsibilities for Neighbourhood Houses is relatively well documented in grant deeds and public documents, in practice there is a high degree of ambiguity and overlap in the way Houses are run, and by whom.

In communities experiencing acute need and socio-economic hardship, as well as an ageing population and shifting demographics, there are real constraints to locally recruiting and retaining a skills-based board, a paid staff team and a roster of volunteers (several individuals interviewed for this report had served in all three capacities at various points). Some of the heightened risks seen in Houses due to changes in demand need more specialist and complex skills, which are not always available in local communities under the terms Houses are able to offer.

> *'Our greatest challenge is sustaining a highly skilled and experienced part-time workforce… limited funding and available hours mean staff need to seek additional employment elsewhere or balance this role and other employment.'*
>
> *'There is a shortage of volunteers willing to commit regularly to ensure a program could run consistently. We constantly need to have staff to back up when we have a no-show which means we cannot offer more than we can cover.'*
>
> ***Survey responses***

At the same time, the peak body's remit and program of services – for its membership and for the broader network of Houses – is not well understood and creates a widening expectation gap. DPAC's role as the primary funding source of both NHT and individual Houses creates a challenging dynamic over topics ranging from procedural to personal. There remains ambiguity in where authority rests to resolve issues or points of contention, for example where a board or manager disagrees with an NHT position and appeals to DPAC directly to intervene, despite there being no codified role for DPAC to do so.

Long-standing relationships, historical practices and local arrangements continue to play an important role in how the network functions in practice. While these arrangements often reflect genuine efforts to respond flexibly to local needs, they can also contribute to uncertainty regarding roles, responsibilities and expectations.

The result is a system that continues to deliver significant community value, but which often relies heavily on local goodwill, informal arrangements and the commitment of individual staff, volunteers and board members to bridge gaps between formal structures and operational reality.

The network has evolved faster than its supporting arrangements

Neighbourhood Houses remain highly valued, locally connected and responsive organisations. Their ability to adapt to changing community circumstances is a central strength of the model. However, the operating environment has changed more quickly than the formal purpose, workforce settings, governance arrangements, funding framework and network-wide supports surrounding Houses.

The central issue is therefore not whether Houses continue to provide value. It is whether there is a sufficiently clear and shared understanding of the role government funds them to perform, the boundaries of that role, and the minimum operating environment necessary to deliver it safely and sustainably.

When 'place-based' becomes 'catch-all': the changing nature of Neighbourhood Houses

There is widespread recognition that the role of Neighbourhood Houses in Tasmania has evolved in recent years, in response to demands from community members presenting to houses. A consistent theme throughout consultations was that community need has changed significantly faster than the operating model designed to support it.

The combined impacts of cost-of-living pressures, an ageing population, the withdrawal or redesign of some public services, and increasing presentations of poor mental health, addiction, and family violence have placed growing pressure on Neighbourhood Houses across the state. House Managers are now regularly supporting individuals and families in crisis who turn to their local Neighbourhood House for food relief, shelter, or safety.

The scale and complexity of these presentations is difficult to quantify, as existing data collection methods do not consistently distinguish between people seeking general advice or turning to a House in a state of crisis. Many House Managers identified this as a source of frustration, noting challenges in demonstrating the growing complexity and demand they are managing. While the quantitative data does not clearly evidence this trend, qualitative findings consistently indicate that the frequency and complexity of presentations are increasing statewide.

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As a result, while Neighbourhood Houses are funded and designed to coordinate community development, their people and resources are increasingly being drawn into complex frontline service delivery, crisis response, and managing high-risk interventions. Neighbourhood Houses are providing these responses to complex presentations not because they are required to by Government, but because Houses and staff are often significant places of comfort and support in their communities.

While community development remains at the core of the Neighbourhood House model, consultation findings suggest that the distinction between facilitating community outcomes and responding to immediate social need is becoming increasingly blurred.

> *Community presentations are increasingly complex and staff and volunteers are regularly exposed to crisis situations, trauma, challenging behaviours and significant emotional demands. Without appropriate investment in workforce capacity, supervision, training and specialist support, there is an increasing risk of psychosocial harm, compassion fatigue and reduced organisational capacity*
>
> ***Survey response – 'What are the biggest risks to your House over the next 2–3 years?'***

One contributing factor to this expansion in scope is the broad and flexible nature of existing grant deeds. While the deeds enable Houses to respond to locally identified needs and support the principles of place-based service delivery, they can also create uncertainty about the boundaries of the Neighbourhood House role, and the extent of activities Houses are expected to undertake.

As volunteers, staff, House Managers and board members mobilise local approaches to respond to increasingly complex needs, they are assuming risks and responsibilities that differ substantially from those envisaged when Houses were first established and for which they are currently equipped.

For staff and volunteers, increasing exposure to complex and often crisis-related presentations can heighten psychosocial concerns, as well as safety and wellbeing risks. For boards, it creates additional governance, compliance, risk management and duty of care responsibilities that may exceed available capability and resources. For community members, there is a risk that expectations of the support Houses can provide may exceed organisational capacity or expertise. For the government, the continued expansion of activities without corresponding clarity regarding role, capability, accountability and resourcing may create challenges in ensuring the sustainability, consistency and effectiveness of the Neighbourhood House network over time.

In many respects, this reflects the adaptability and responsiveness of Houses to emerging community needs. However, it also creates new demands for governance, workforce capability, supervision, training, risk management and organisational support.

Consequently, Houses have indicated that they are under significant pressure: funding, governance, volunteering, policies, and support mechanisms are in many cases stretched or increasingly challenged to run a sustainable, safe community development operation.

Public value and social impact of Houses

Neighbourhood Houses create value that extends beyond the direct programs, community development and services they deliver. As trusted, place-based organisations, they strengthen social connection, improve access to support services, build community participation and help people navigate challenges before needs escalate. Results from the .id consulting survey highlight that Neighbourhood Houses are highly valued by communities, with 95% of the 2,741 respondents rating Houses as very or extremely important, 96% reporting good or excellent experiences and 90% agreeing that Houses are trusted organisations.

Other evidence also suggests that Neighbourhood Houses generate significant social value through improved wellbeing, social inclusion, volunteering, community resilience and earlier access to support. A study of Neighbourhood Houses in Gippsland estimated that every $1 invested generated approximately $2.78 in social and economic value[6], demonstrating the broader public benefits that can be created through community-based prevention, connection and service navigation. Consistent with this, the .id consulting report identified Houses as highly trusted community infrastructure that plays an important role in supporting communities experiencing disadvantage, isolation and barriers to service access.

Conclusion

This needs analysis points to the value that Neighbourhood Houses continue to create in communities across Tasmania and the commitment of staff, volunteers and board members who sustain them. At the same time,

[6] *https://morwellnh.org.au/wp-content/uploads/2024/02/Deloitte-July-2020-Estimating-the-social-impact-of-Gippslands-NHs.pdf*

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consultation with Houses points to a growing tension between the traditional Neighbourhood House model and the increasingly complex environment in which Houses now operate.

Three themes emerge throughout the report:

- Community need has become more complex and increasingly presents through Neighbourhood Houses.
- The responsibilities being assumed by Houses, boards, staff and volunteers have expanded beyond those originally envisaged by many aspects of the current model.
- House Managers report that existing governance, workforce, funding and support arrangements are under growing pressure as they respond to those changing expectations.

The Neighbourhood Houses network, including its peak body, NHT, and primary funder, DPAC, is now at an inflection point to determine:

- the role, demand for, and scope of Neighbourhood Houses, and the current limitations of their capacity to deliver the work that communities need
- whether the operating and financial model for Neighbourhood Houses remains fit for purpose to deliver that role and scope
- what role, if any, the network can play in serving complex community needs beyond its traditional scope.

This report contributes to the evidence base to support those discussions and the continued evolution of the Neighbourhood House network in Tasmania and the role it plays in communities.

Recommendations

Recommendation 1: Clarify the purpose, role and funding scope of Neighbourhood Houses

The Tasmanian Government should work with NHT and Houses to establish a shared understanding of the contemporary purpose and role of Neighbourhood Houses. This process should define the core functions of Neighbourhood Houses, identify the activities and outcomes expected of individual Houses and the network, and clarify the boundaries between community development, place-based responses and broader service delivery functions.

The Tasmanian Government should also assess the scope and intent of Neighbourhood House funding arrangements to determine which aspects of the agreed role and purpose should be funded by the Tasmanian Government, including the level of capability, governance, workforce support and risk management necessary to safely and sustainably deliver those functions.

Establishing greater clarity regarding the role and boundaries of Neighbourhood Houses may also have implications for community members currently seeking support that falls outside the intended scope of the model. Where Houses are no longer expected to provide certain forms of assistance, effective referral and escalation pathways will be necessary to ensure people can be connected to appropriate services, particularly in communities where alternative supports are limited or experiencing high demand.

Recommendation 2: Undertake a statewide analysis of referral pathways

The Tasmanian Government should undertake a statewide analysis of the referral pathways available to Neighbourhood Houses, to better understand what services are available to address the complex community needs presenting to Houses. The analysis should identify the types of support most commonly provided by Houses, the government and non-government service systems to which those supports relate, and the referral pathways available to these services that could be utilised by Houses. It should also include an evaluation of the success of the Community Connector Program.

The analysis should:

- Identify areas where Houses are routinely supporting community members to access services that fall within the responsibilities of other government portfolios, agencies or funded service systems.
- Assess the availability and effectiveness of referral pathways across different regions and communities.
- Identify opportunities to strengthen coordination between Neighbourhood Houses, government agencies and service providers.
- Support the development of clearer referral and escalation pathways so Houses can more confidently connect community members with appropriate services.
- Consider any implications on the required workforce and funding models of Neighbourhood Houses.

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The role and funding of Neighbourhood Houses proposed in Recommendation 1 should be considered within this broader service context, having regard to identified community need, the activities Houses are undertaking and the availability and capacity of referrals to other services in each area. The findings of this analysis should also be used to inform future service commissioning, cross-government coordination, referral pathways and funding decisions.

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2 Staffing, Volunteers and Safety

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Purpose of this chapter

The purpose of this chapter is to assess whether the current workforce, volunteer base and safety systems across the Neighbourhood House network are sufficient to support safe, sustainable and effective community development. The chapter considers several key workforce dimensions, including workforce capacity, workforce capability and workforce utilisation and sustainability. The chapter also examines workforce safety, wellbeing and risk management arrangements across the network.

This chapter also addresses the following focus areas from the needs analysis specification:

- A sector-wide profile of staffing and volunteer levels, including gaps and future workforce needs.
- Recommendations for consistent safety standards and training programs across all Houses.
- Identification of strategies to improve volunteer recruitment, retention and wellbeing.

A future workforce requirement cannot be determined independently of defining the role Houses are expected to perform. This analysis therefore considers both the current workforce pressures and the minimum capacity, capability and safety arrangements that may be required once the purpose and role boundaries of Houses are agreed, as well as the components of the workforce that are funded by government.

Workforce profile

The workforce model is a key enabler of the trusted, accessible and locally responsive role played by Houses. Staff and volunteers bring local relationships and knowledge that would be difficult to replicate through a centralised service model. However, the appropriate workforce requirement depends on the functions Houses are expected to perform and the risks associated with those functions.

Neighbourhood Houses are currently funded through a core funding model administered by DPAC and expressed in grant deeds, which specify that Houses must *"use core funding to employ at least two (2) full-time equivalent (FTE) workers"*. Houses are also required to comply with Tasmania's Child and Youth Safe Organisations Framework, which requires organisations that work with children and young people to reflect child safety and wellbeing values in practice consistent with Child and Youth Standards.

While the two-FTE model was originally designed to support community development activities, the role of Houses has grown considerably. Consultation findings indicate that staff are undertaking activities beyond traditional community development functions, including crisis support, service navigation, housing assistance, emergency relief, food security coordination, volunteer management and governance support. Across consultations, Houses consistently reported that workforce resources and capacity have not kept pace with growing community demand or the increasing service complexity, which is particularly evidenced in the last three years.

The drivers of this demand are multifaceted. Consultation participants described not only an increase in the complexity of community needs, but also changing service availability across some communities. Where specialist, health, housing or social services are less accessible, experience extended wait times, or are unable to meet demand, community members often seek assistance from their local Neighbourhood House. While Houses have responded to these circumstances by adapting their services and support, many stakeholders observed that this has contributed to a gradual expansion in expectations of the Neighbourhood House model without a corresponding increase in core workforce capacity.

Although funded on the basis of two FTE positions per House, the network reported a workforce of approximately 255 paid employees and 117 FTE positions across participating Houses in 2025. This equates to an average of 8.5 employees and 3.9 FTE per House, reflecting the widespread use of part-time, casual and project-funded positions in Tasmanian Houses.

Workforce capacity and capability varied considerably across Houses, reflecting differences in community size, funding arrangements, operating models, access to external grants and local labour market conditions. As a result, average staffing levels do not necessarily reflect the workforce resources available to individual Houses or their ability to respond to local demand.

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Total staffing profile across the network

	2020-21	2021-22	2022-23	2023-24	2024-25
Total Employees (headcount)	189	195	252	266	255
FTE	88	102	116	124	117
Staff headcount (average per House)	7.3	7.5	8.4	8.9	8.5
FTE (average per House)	3.0	3.5	3.9	4.1	3.9

Source: Australian Charities and Not-for-profits Commission (ACNC) Annual Information Statement data. Please note ACNC Annual Information Statement data excludes some Houses that did not report comparable workforce information, or who are not ACNC registered. This data also excludes staffing of the peak body.

Additional staffing beyond the baseline of two FTE is typically funded through short-term, project-based grants and does not consistently occur across the network. Consequently, workforce capacity varies significantly between Houses. Those able to secure external funding or generate alternative incomes, such as facility hire and social enterprises, are generally better positioned to employ additional staff. Many of these positions are tied to specific program outcomes and cannot be redirected to support core operations. This means higher staffing levels do not always equate to greater operational capacity.

Several Houses reported that more than 50% of their workforce is funded through short-term funding arrangements, including the Community Connector Program. This creates challenges for workforce planning, retention and service continuity. Consultation participants noted that short-term funding cycles reduce employment security and contribute to workforce turnover, as staff are more likely to seek alternative employment offering greater certainty.

Workforce capacity versus demand and sustainability challenges

Houses consistently reported pressure on workforce capacity as the range and complexity of community presentations increased. Available workforce data demonstrates growth in paid staffing over time, although the use of part-time, casual and project-funded roles means aggregate headcount does not provide a complete measure of ongoing operational capacity. Stakeholders reported that this reflects both growing complexity of community need and the increasingly important role Houses play in supporting community members who may be unable to access more specialised services in a timely manner. While most Houses reported few or no advertised workforce vacancies, this largely reflects funding constraints rather than workforce sufficiency. One House reported having a funded position vacant for three years because it could not afford to advertise or fill the role. Survey findings reinforce this challenge, with 76% or 188 of 246 total respondents reporting that limited staff time and workforce capacity makes it difficult to keep pace with changing community needs.

Stakeholders also highlighted a disconnect between the two-FTE funding model and operational realities. While the two-FTE requirement represents the minimum staffing requirement, it does not ensure two staff members are consistently available onsite. Leave, training, outreach activities, meetings, shift patterns, and unexpected absences can quickly reduce staffing capacity. Houses reported that workforce shortages can result in reduced opening hours, service restrictions or temporary closures due to safety concerns, creating challenges in meeting grant deed requirements to operate at least 38 hours per week across 48 weeks of the year.

Current workforce constraints result in staff regularly working beyond contracted hours, heavy reliance on key personnel, reduced capacity to respond to multiple community members simultaneously, difficulties maintaining service continuity during absences, increased burnout risk, and limited time for strategic planning, partnership development and community development activities. Additionally, Houses reported growing challenges attracting and retaining appropriately skilled staff as roles become increasingly complex, needing capabilities across community development, crisis response, stakeholder engagement, governance, funding and compliance. Stakeholders noted that workforce funding, remuneration and career progression opportunities have not kept pace with these expectations, contributing to retention challenges.

Workforce capacity is not solely an operational or funding challenge, but also a safety and risk management issue. Current staffing arrangements result in situations where staff are managing complex presentations, work in isolation or respond to community crises without adequate workforce capacity or support. This creates exposure to psychosocial hazards and raises broader questions about Houses' and the government's ability to meet their duty of care and work health and safety obligations. As demand and service complexity continue to increase, workforce

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capacity becomes a prerequisite for safe service delivery and an important consideration in meeting workforce safety and duty of care obligations.

Future workforce needs

There is clear demand for more sustainable workforce investment across the network. Additional staffing capacity would improve workforce wellbeing, while reducing risks associated with limited staffing arrangements.

Future workforce needs identified by Houses included:

- additional operational and frontline staff to provide safe service coverage and maintain community access
- increased capacity to respond to increasingly complex presentations and crisis-related support needs
- dedicated administrative and compliance support to reduce the burden on frontline staff and managers
- improved access to relief and backfill arrangements during periods of leave and staff turnover
- more sustainable funding arrangements that enable Houses to employ additional staff on an ongoing basis rather than relying on short-term project funding, noting that Government is working with the community sector more broadly to address this issue.

Volunteer profile

Volunteers are a critical part of the Neighbourhood House model and make a substantial contribution to community development and service delivery across the sector.

Volunteers undertake a broad range of functions across Neighbourhood Houses, working in reception, administration, program delivery, food relief activities, gardening and maintenance, community events and general operational support. Survey findings indicate that 83% or 206 of 246 total respondents believe that Houses are either *very reliant* or *mostly reliant* on volunteers to support their operations. One roundtable participant noted that approximately two-thirds of their workforce consisted of volunteers.

The table below outlines the total registered volunteer profile across the network. Although the number of registered volunteers has remained relatively stable, there is no data available on the hours contributed by volunteers. This makes it difficult to assess the extent of volunteer capacity or changes in volunteer effort over time, though consultation findings suggest that recruiting and retaining volunteers is becoming increasingly difficult.

Total registered volunteer profile across the network

	2020-21	2021-22	2022-23	2023-24	2024-25
Registered Volunteers	1,446	1,330	1,366	1,443	1,492

Source: Australian Charities and Non-for profits Commission (ACNC) Annual Information Statement reporting. Please note ACNC Annual Information Statement data excludes some Houses that did not report comparable volunteer information, or who are not ACNC registered.

Emerging challenges and volunteer gaps

Despite the number of registered volunteers increasing, consultative evidence suggests Neighbourhood Houses are struggling to recruit and retain volunteers. These challenges reflect broader trends in volunteering across Australia, alongside specific pressures impacting the sector. Research commissioned by Volunteering Australia found that:

- 70% of organisations report volunteering is in decline due to an ageing volunteer base
- 24% cite increasing time pressures on potential volunteers due to modern work and economic pressures
- 31% report declining interest in long-term volunteering commitments and a broader shift towards more flexible or task-based 'micro-volunteering' models[7].

Similarly, Valuing Volunteers: Tasmania's Volunteering Strategy 2025-2030[8] notes that the three most common barriers to Tasmanian volunteers volunteering more are:

- limited time

[7] *https://volunteeringstrategy.org.au/wp-content/uploads/2022/10/Volunteering-in-Australia-2022-The-Organisation-Perspective.pdf*

[8] *https://www.dpac.tas.gov.au/for-communities/inclusive-communities/volunteers*

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- cost
- burnout.

This strategy also notes that rates of formal volunteering are declining as more people prefer flexible and informal volunteering opportunities, and that volunteers want to feel safe and included, and to have meaningful roles and experiences.

Several Neighbourhood Houses reported that volunteers often transition into paid employment after developing skills and experience through their involvement with the House.

> *"Good volunteers do not stay for long because they gain employment."*
>
> ***Roundtable participant***

Houses also reported difficulties in attracting volunteers with the skills, experience and capacity needed to undertake more complex roles. In many cases, volunteers are community members who access Houses themselves and may be experiencing social, economic or personal challenges. Consultation participants noted that volunteers often need significant support, supervision and mentoring, including support associated with mental health concerns, trauma-related experiences, social isolation or limited workforce skills.

> *"Some volunteers require regular one-to-one support and supervision to participate successfully."*
>
> ***Survey response***

Volunteer management and future workforce needs

The changing profile of volunteers has increased the complexity of volunteer management for the paid workforce. Managing volunteers now extends well beyond traditional recruitment and administrative functions. House Managers reported spending significant time on volunteer recruitment, induction, mentoring, supervision, wellbeing support, incident management and performance-related discussions. KPMG's survey data suggests that the two most pressing challenges for managing volunteers are 'volunteer recruitment' and 'volunteer skills/capacity'. These responsibilities place additional demands on already stretched management resources and can reduce the time available for community development.

> *"Attracting new volunteers and maintaining ongoing participation requires significant time and effort, particularly when staff resources are limited."*
>
> ***Survey response***

While volunteers remain essential to the sustainability of the current Neighbourhood House model, volunteers cannot be viewed as a substitute for paid workforce capacity. Certain functions need consistent availability, specialised capability, formal accountability and decision-making authority that cannot reasonably be expected of volunteers. These include crisis response, compliance activities, governance support, risk management and other roles needing specialised knowledge.

Consequently, a key workforce challenge for the sector is ensuring an appropriate balance between volunteer and paid staffing capacity. While maintaining and strengthening the volunteer workforce will remain important, future workforce planning will also need investment in paid positions that can provide the continuity, expertise and oversight needed to support increasingly complex community needs.

Without sufficient paid workforce capacity, there is a risk that Houses will become overly reliant on volunteers to perform functions demanded by communities but beyond the scope and purpose of government funding. This may create operational, governance and safety risks for Houses.

Workforce capacity and capability, safety, wellbeing and risk management

Greater complexity, higher risk

The safety and wellbeing of staff and volunteers emerged as a significant theme throughout consultations and survey responses. Stakeholders consistently reported that Neighbourhood Houses are supporting community members experiencing complex and often acute challenges, mental health crisis, family violence-related presentations, drug and alcohol issues and housing insecurity.

This creates heightened safety risks for staff, volunteers and community members, particularly where situations involve behavioural escalation, psychological distress, or crisis presentations. Survey respondents identified '*supporting people experiencing acute distress or crisis'* as the most significant safety challenge facing Houses,

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noting that staff and volunteers are frequently called upon to assist individuals with complex needs "despite not being trained crisis specialists."

As the complexity of community need continues to increase, Houses are not only experiencing greater service demand, but are also developing workforce capabilities that were not traditionally expected within community-based neighbourhood settings.

Safe operating capacity

Consultation findings highlighted a strong relationship between workforce capacity, capability and safety outcomes. Where staffing capacity is limited, Houses may face increased risks associated with lone working, reduced ability to respond to incidents, inadequate supervision of higher-risk situations, and interruptions to service delivery when staff are unavailable.

Workforce capability

Many stakeholders identified capability gaps in managing increasingly complex presentations, noting that workforce skills, training pathways and access to specialist knowledge have not always kept pace with the changing needs of communities. Participants reported varying levels of access to specialist training in areas such as de-escalation, trauma-informed practice and complex mental health responses. This creates a risk that staff and volunteers may be faced with managing situations beyond their skills, experience or confidence levels, increasing the likelihood of adverse outcomes for both the workforce and community members.

Psychological safety and psychosocial risk

As the complexity of community need has increased, stakeholders reported growing exposure of staff and volunteers to psychologically demanding situations, including supporting people experiencing crisis, distress and other complex presentations. Burnout, emotional fatigue, compassion fatigue and vicarious trauma were frequently identified during consultations. While these issues were discussed in the context of workforce wellbeing, they also reflect psychosocial hazards.

Neighbourhood House Boards have a responsibility to provide a work environment that is safe and without risks to both physical and psychological health. Where staffing levels are constrained and service complexity continues to increase, Houses have reduced capacity to provide appropriate supervision, debriefing, training and workload management. In this context, psychosocial risk is not solely a wellbeing consideration, but a workforce safety, governance and regulatory responsibility that has implications for the minimum safe operating model for the network.

Policy and process

The majority of Neighbourhood Houses have workplace health and safety policies, incident reporting processes and some form of workforce or volunteer safety training. However, the maturity and consistency of these arrangements vary significantly across the network. While many Houses reported controls such as Work Health and Safety (WHS) policies, incident management procedures, child safety policies, risk management frameworks and emergency response processes, training and documentation ranged from comprehensive programs to limited or informal arrangements. This variability suggests an inconsistent approach to safety management, creating uneven levels of workforce and volunteer safety capability across the network.

Key findings

- **The current workforce model is no longer fully aligned with the role Neighbourhood Houses are performing.** The two-FTE funding model was established to support community development activities, however Houses are increasingly responding to complex community presentations, service navigation, crisis-related support and growing compliance obligations. Workforce capacity, capability and operating requirements have not consistently evolved alongside these changing expectations from the community, creating pressure on service delivery, safety and sustainability.
- **The sustainability of the Neighbourhood House workforce is increasingly reliant on funding and volunteer arrangements that are difficult to maintain over the long term.** Many Houses depend on short-term project funding to supplement core staffing capacity, while volunteers continue to play a critical role in service delivery despite ongoing recruitment, retention and capability challenges. This creates variability in workforce capacity across the network and limits long-term workforce planning and resilience.
- **Increasing service complexity is creating workforce safety, capability and governance risks that need a more consistent network-wide response.** Staff and volunteers are increasingly exposed to complex

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presentations, psychosocial hazards and situations needing specialist skills. While many Houses have established safety and workforce supports, capability, training and risk management arrangements vary considerably across the network. A more coordinated approach is needed to support safe service delivery and meet work health and safety obligations.

Recommendations

Recommendation 3: Define a minimum safe workforce model based on an agreed purpose and role of Neighbourhood Houses

Following clarification of the intended purpose, role and funding scope of Houses proposed in Recommendation 1, the Tasmanian Government in consultation with NHT and Houses should define the minimum workforce arrangements necessary to deliver that purpose safely and sustainably and assess the minimum safe operating model requirements for Neighbourhood Houses. This should include:

- clarifying the role of Neighbourhood Houses in responding to increasingly complex community presentations, including the balance between community development, service navigation, referral, advocacy and direct support
- developing guidance on referral pathways, escalation processes and role boundaries so Houses can continue to respond flexibly to community need without assuming responsibilities more appropriately delivered by specialist services
- consideration of the workforce capacity needed to:
  - safely maintain operating hours required under Grant Deed obligations, while maintaining appropriate staffing coverage during periods of leave, training, outreach activities, meetings and unplanned absences
  - manage and support volunteers effectively, including recruitment, supervision, mentoring, wellbeing support and performance management
  - support psychological safety, manage psychosocial hazards and enable Houses to meet their work health and safety obligations to staff and volunteers
  - reduce workforce fatigue, burnout and reliance on unpaid overtime
  - improve workforce wellbeing, retention, succession planning and organisational resilience.

Recommendation 4: Develop a network-wide volunteer sustainability strategy to strengthen volunteer recruitment, retention and wellbeing

NHT should lead the development of a network-wide volunteer sustainability strategy to strengthen volunteer recruitment, retention, capability, safety and wellbeing across the state. The strategy should recognise the significant contribution volunteers make to community development and service delivery, while acknowledging that volunteers complement, rather than replace, the paid workforce capacity necessary for governance, compliance, crisis support and other high-risk functions.

In developing the strategy, consideration may be given to:

- Increase volunteer participation and accessibility by reducing barriers to involvement and creating pathways for younger people, retirees and job seekers through targeted recruitment and partnerships with schools, training providers, employment services and community organisations.
- Make volunteering more flexible and accessible through streamlined recruitment, screening and induction processes, alongside shared volunteer recruitment resources and regional volunteer pools where appropriate.
- Support volunteers to be safe, capable and well-supported through consistent induction, training and supervision, access to child safety and mental health training, clear role boundaries, and wellbeing and debriefing supports.
- Create pathways for skills development and community participation by providing opportunities for leadership development, social connection, intergenerational participation, and progression into education, training and employment.
- Recognise and celebrate volunteer contributions through network-wide recognition initiatives, promotion of volunteer stories and impact, and improved measurement of the value generated through volunteering.
- Clarify role boundaries between volunteers and paid staff, particularly in relation to crisis support, safety, compliance, governance and other higher-risk functions.
- Support Houses to match volunteer roles to volunteer capability and provide access to additional support where volunteers need significant supervision, mentoring or wellbeing assistance.

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- Consider collecting volunteer hours in addition to volunteer headcount as part of future reporting cycles to improve understanding of volunteer capacity and contribution across the network, while ensuring any additional reporting requirements remain proportionate and do not create an undue administrative burden on Houses.

Development of this strategy may benefit from engagement with Volunteering Tasmania, and consideration of the Tasmanian Government's Volunteering Strategy 2025-2030.

Recommendation 5: Establish consistent safety and workforce capability development standards across the Neighbourhood House Network.

A network-wide Safety and Workforce Capability Framework, developed by NHT and implemented consistently by Houses, would establish minimum safety standards, workforce capability requirements and support arrangements for staff and volunteers across the network. The framework should strengthen consistency in safety management and workforce support while ensuring the sector is equipped to respond to increasingly complex community needs.

The framework should include two key components:

- Consistent health, safety and risk management standards (baseline requirements)

  To ensure all Houses operate within a common safety framework, minimum standards should be established across the network including:
  - Minimum safety, wellbeing and risk management requirements for all Houses.
  - Clear expectations for managing situations involving individuals experiencing acute distress, crisis or complex needs.
  - Consistent approaches to volunteer safety, supervision and role boundaries.
  - Standardised incident reporting, risk assessment, escalation and post-incident support processes.
- Future-focused workforce capability development

  To support Houses to respond safely and effectively to changing community needs and increasingly complex presentations, the framework should also include:
  - Workforce capability and development pathways for staff and volunteers.
  - Consistent approaches to trauma-informed practice, de-escalation, referral, and service navigation.
  - Consideration of emerging workforce capability needs arising from increasing levels of mental health concerns, family violence, addiction, social isolation, and other complex community issues.
  - Access to expert advice, secondary consultation, debriefing, mentoring, and escalation support where staff and volunteers encounter situations beyond their skills, experience, or confidence.

Recommendation 6: Increase collaboration and resource sharing across the network.

A more coordinated network-wide approach to staffing and volunteers would help improve workforce resilience, reduce reliance on key individuals, strengthen safety outcomes and provide more equitable access to specialist skills and support. NHT should consider taking a network-wide coordination role to facilitate shared workforce arrangements, specialist support services and capability-building initiatives that strengthen workforce resilience and reduce duplication across Houses. This could include:

- Establishing relief and backfill workforce arrangements to support leave coverage, vacancies and unplanned absences.
- Creating access to shared resources such as governance advisors, volunteer management specialists, workforce wellbeing supports, child safety expertise, WHS guidance and practitioners with expertise in responding to complex community presentations.
- Establishing a network Capability and Support Model that provides Houses with access to specialist expertise, coaching and mentoring that may not be practical or affordable for individual Houses to maintain locally.
- Providing structured mentoring and support networks for House Managers, particularly those operating in smaller, remote or high-demand communities.

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3 Operational Costs

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Purpose of this chapter

This chapter reviews the scale, factors and year-on-year changes to the operational costs reported by Neighbourhood Houses.

It examines the key cost drivers affecting Houses, assesses the sustainability of current funding arrangements, and identifies opportunities to better align future funding models with the actual costs of operating and delivering services.

This chapter also addresses the following focus areas from the needs analysis specification:

- A detailed breakdown of operational cost drivers across Houses.
- Benchmarking of costs against similar community organisations to identify efficiencies.
- Recommendations for sustainable funding models, including consideration of identified efficiencies.

Operational cost pressures should be considered in the context of the operating model government intends to fund.

Operational cost drivers across Houses

Reported expenditure is growing faster than income across Houses

Analysis of a sample of 30 Neighbourhood Houses' financial statements identified mean growth in expenditure of 4.0% from 2023-24 to 2024-25, while income rose by 2.4% in the same period. Among our sample, 15 Houses (50%) posted an operating deficit in 2024-25, up from 13% in 2023-24. Houses with significantly different operating structures or financial arrangements were excluded from the analysis, as their inclusion could distort trends observed across the broader sample.

Income across 30 sample Houses

	Income 2024-25	Income 2023-24	Year-on-year change
Highest	$1,625,835	$1,527,636	
Mean	$599,249	$584,480	2.4%
Lowest	$377,367	$332,055	

Source: 2024-25 Financial Statements of 30 Neighbourhood Houses.

Expenditure across 30 sample Houses

	Expenditure 2024-25	Expenditure 2023-24	Year-on-year change
Highest	$1,219,320	$1,372,077	
Mean	$576,405	$554,461	4.0%
Lowest	$363,534	$294,253	

Source: 2024-25 Financial Statements of 30 Neighbourhood Houses

The results show increasing financial pressure across the sample. Mean expenditure growth exceeded income growth by 1.8 percentage points, while the number of Houses reporting a deficit increased. This reduces the financial capacity of affected Houses to absorb further workforce and operating cost increases.

The analysis provides evidence of the cost pressures affecting Houses and the need for future funding arrangements to reflect the agreed operating model. Assessment of the overall funding level would need further analysis of each House's government funding, program income, other revenue, reserves and funded responsibilities.

Jurisdictional grant comparisons provide context on the structure and relative value of individual government funding streams. Funding sources and operating arrangements vary across jurisdictions, including access to program funding, local government support, premises and earned income. The Tasmanian financial results should therefore remain the primary evidence for understanding the operating pressures experienced by Tasmanian Houses.

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Benchmarking against CPI and WPI

Growth in overall expenditure significantly exceeds both CPI and WPI, suggesting that Houses are doing more, not just meeting greater cost for the same work.

The Australian Bureau of Statistics (ABS) reported an annual rise in the Consumer Price Index (CPI) of 2.1% nationwide in the 12 months to June 2025, and that Hobart's growth was below the national weighted average at 1.7%.[9]

In the same period, the ABS reported an annual rise in the Wage Price Index (WPI) of 3.4% nationwide, and Tasmanian growth slightly below the national average at 3.1%.[10]

Data limitations in understanding cost drivers

It is important to note that Houses record expenditure differently, making comparison and aggregation across the entire network impractical with current data sets. The analysis that follows reflects a subset of Houses where consistent line items or accounting codes can be identified in their financial statements. Significant outliers, including Houses with unusual operating structures, have been excluded.

Staffing is the single largest cost of running Houses

Employment costs – including salaries, wages, superannuation, and benefits – consistently represent the largest operating expense in Neighbourhood Houses. In some cases staff costs account for over two-thirds of expenditure, while in others the salary bill alone is more than double the value of the House's core grant funding.

Annual increases in staff award rates

Year	SCHADS increase
2026	4.75%
2025	3.5%
2024	3.75%
2023	5.75%

Source: Fair Work Ombudsman

Neighbourhood Houses follow the Social, Community, Home Care and Disability Services (SCHADS) Award. Fair Work Commission Annual Wage Review adjustments brought changes to the SCHADS Award that exceeded both CPI and the indexation of Neighbourhood Houses' core grants, shown in the table above.

Year-on-year growth in staff costs from 2023-24 to 2024-25 was observable in all Houses that provided consistent and itemised expenditure reports in their financial statements, including an average 15.1% increase in salaries and wages and 19.8% increase in superannuation, a portion of which reflects legislated increases in the Superannuation Guarantee rate over this period. The network would benefit from further analysis of staff costs, to understand if the increase is attributable to non-SCHADS contracted staff increases, short-term appointments tied to non-DPAC funding, greater seniority among the workforce, or other staffing expenditure.

Change in staff costs reported by a sample of Tasmanian Neighbourhood Houses

Staff cost	2024-25 Mean	2023-24 Mean	Change
Salaries / wages	$299,189	$259,940	15.1%
Superannuation	$33,481	$27,951	19.8%

Source: 2024-25 Financial Statements of 12 Neighbourhood Houses that provided itemised expenditure reports

It is noted that as Houses may categorise expenditure differently, and that the analysis is based on a subset of Houses, the trends observed may not be representative of the sector as a whole.

NHT analysis drawing from publicly available ACNC Annual Information Statement data indicates that total staffing across the network *decreased* from 124 FTE in 2024 to 117 FTE in 2025, a reduction of 5.6%. This data excludes

[6] *https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/jun-quarter-2025*
[7] *https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/jun-2025#state-and-territory-wage-growth*

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NHT, East Devonport Neighbourhood House (EDNH) and Karadi Aboriginal Corporation, which are also excluded from our sample.

The available data does not identify where the reduction occurred, the roles affected or whether it resulted from vacancies, reduced hours, expiring program funding or organisational decisions. Further analysis would be required to determine the causes and the effect on individual House capacity. At a network level, the reduction indicates less workforce capacity during a period in which survey and consultation evidence identified increasing demand and complexity.

Non-staff costs are broadly increasing, with notable outliers

While employment costs represent the largest operating expense for Neighbourhood Houses, financial reporting from a subset of Houses suggests that a proportion of growth in non-staff expenditure may be driven by substantial increases in expenditure on audit, accounting, and legal costs; insurance; and energy.

A selection of these cost categories is illustrated in the following table. It is noted that as Houses may categorise expenditure differently, and that the analysis is based on a subset of Houses, the trends observed may not be representative of the sector as a whole:

Non-staff costs (selected)

	2024-25 Mean	2023-24 Mean	Change
Audit and accounting	$5,723	$5,297	8%
Heat and light	$5,707	$4,558	25.2%
Insurance	$19,416	$17,508	10.9%
Travel and accommodation	$8,515	$9,967	-14.6%

Source: 2024-25 Financial Statements of 12 Neighbourhood Houses that provided itemised expenditure reports

Consistent with Neighbourhood Houses' operation as independent entities, consultation findings identified a range of common and duplicated administrative, governance and compliance functions being performed across the network. These include audit and accounting services, insurance, payroll, volunteer administration, governance support and policy management. Stakeholders identified potential opportunities to reduce duplication and achieve greater consistency through shared service or practice arrangements and collective procurement approaches, noting that NHT has made some initial steps towards scoping this type of collective purchasing approach.

Among the sample of Neighbourhood Houses that itemised operational costs, it was not possible to identify expenditure on the technology platforms and systems that underpin finance, volunteer management, incident reporting, HR and other systems. Consultation across the network repeatedly highlighted increasing staff effort in discharging governance, reporting, compliance and administrative functions, with variable capability across the network. Further enquiry into the technology estate of Neighbourhood Houses would likely uncover opportunities for improvements in efficiency and quality, which could be well served through a shared services model.

A reduction in the cost of travel and accommodation is likely due to House Managers and Coordinators opting to deprioritise travelling to events, conferences, and in-person training/meetings, rather than a reduction in the cost of travel. Interview and workshop comments also suggest that the use of personal vehicles and other unclaimed expenses are hiding the true cost of some activities, which are instead being carried personally by staff and volunteers. These responses may reduce reported expenditure while transferring costs to individuals or limiting access to workforce development and network activities.

Property and maintenance costs

Property ownership, maintenance, compliance and asset renewal costs represent a significant operational cost for the Neighbourhood House network. Current funding arrangements do not fully recognise these costs, creating sustainability risks for the facilities and Houses. Of Tasmania's 34 State-funded Neighbourhood Houses, 25 properties are owned by Homes Tasmania, three by the Tasmanian Government, three by local government, two are self-owned, and one is owned by the Australian Government. Since assuming responsibility for the portfolio in July 2021, Homes Tasmania has invested more than $1.18 million in maintenance and compliance works across Neighbourhood House properties and has identified an estimated deferred maintenance liability of approximately $2 million across the portfolio.

Homes Tasmania historical maintenance expenditure

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Financial year	General maintenance*	Landscape	Essential building services**
2021–2022	$63,588	$1,025	$87,225
2022–2023	$85,707	$1,512	$88,477
2023–2024	$230,903	$23,675	$88,895
2024–2025	$71,547	$73,227	$82,333
2025–2026	$161,801	$37,741	$84,803
Total	**$613,546**	**$137,180**	**$431,733**

Source: Homes Tasmania

** Management and Performance fees allowed at 34% across regions 2021-2025 and North only 2025-2026*

***Essential Building Services expenditure is estimated as property detail is not available in all invoicing, 2025-2026 estimated as a 3% increase on 2024-2025*

Homes Tasmania does not receive dedicated funding to support the ongoing ownership, maintenance and renewal of Neighbourhood House assets. The costs are instead absorbed within Homes Tasmania's broader asset maintenance budget. This creates a structural funding imbalance, where expenditure to sustain Neighbourhood Houses is funded through resources intended for the management and maintenance of social housing assets.

The issue is compounded by the age and complexity of many Neighbourhood House facilities. Neighbourhood Houses often operate from commercial buildings or places of assembly that need a broader range of maintenance, compliance and essential building services activities. Many sites also face significant lifecycle renewal requirements, increasing the long-term costs associated with maintaining safe and functional facilities.

The scale of recent investment and identified deferred maintenance liabilities highlights the importance of establishing a sustainable funding approach for the ongoing maintenance and renewal of Neighbourhood House assets. Without dedicated funding arrangements, pressure on Homes Tasmania's broader asset budget is likely to continue, increasing risks to the long-term condition, functionality and compliance of Neighbourhood House facilities.

Benchmarking against comparator organisations

The number of paid staff is usually the main determinant of a community organisation's operating cost, because wages, superannuation and related employment obligations create a recurring cost base that scales with workforce size. As a result, organisations with otherwise similar premises, programs or community roles can have materially different cost profiles depending on how many paid roles they need to remain open, manage volunteers, meet compliance obligations and deliver services safely.

Comparators in Tasmania

As noted throughout our consultation in preparation of this report, Neighbourhood Houses are unique in their community offer and in their organisational structure. As independent and locally governed entities that receive government funding and employ their own paid staff, few valid comparisons exist. While similar organisations such as Men's Sheds and Child and Family Learning Centres are often cited as relevant peer examples, there are limitations that do not allow for directly-applicable benchmarking:

Men's Sheds

Men's Sheds are community-based organisations that provide informal, practical spaces for men (and particularly retired men) to build social connection, participate in shared activities and support wellbeing. Men's Sheds differ fundamentally from Neighbourhood Houses in that they do not employ paid staff, and as a result incur a fraction of the running costs of a House. Statutory support for the entire network in Tasmania is less than $200,000 a year, in the form of a fund to purchase tools and equipment - less than the core funding of a single Neighbourhood House. Men's Sheds also participate in income-generating programs such as woodworking projects, which offsets their already-low running costs.

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Child and Family Learning Centres

Child and Family Learning Centres (CFLCs) are government-supported, place-based early years hubs that bring together education, health and family support services for young children and their families. CFLCs operate on a similar scale and footprint to Neighbourhood Houses but are not independently constituted and as such their expenditure profile is not public data, nor is it identifiable among the wider costs of their parent organisations.

Neighbourhood Houses in Victoria

A desktop review of publicly available financial information from a sample of Neighbourhood Houses in Victoria returned comparable cost profiles to Neighbourhood Houses in Tasmania. Across the Victorian sample, staffing-related expenditure was similarly the dominant operational cost, while program delivery and corporate support functions accounted for a smaller share of overall expenditure.

Staffing costs, including wages, superannuation, leave entitlements and tutor payments, typically accounted for 65% to 80% of total operating expenditure, making workforce costs the primary driver of operational budgets. Victorian examples also demonstrated that increases in overall expenditure were largely driven by growth in employee-related costs.

Direct program delivery expenditure generally accounted for 10% to 15% of total costs, although this varied depending on service delivery models and accounting treatment. The remaining expenditure was largely associated with core operational functions needed to maintain safe and effective community facilities, including occupancy costs, utilities, insurance, audit, governance, administration and technology. Individually, these costs represented a relatively small proportion of expenditure but collectively formed an important component of operational budgets.

Victorian Neighbourhood Houses fund these costs through a mix of revenue sources. The $117,650 figure referenced in Jurisdictional Analysis (in Chapter 9 of this report) relates to the Victorian Neighbourhood House Coordination Program and does not represent total organisational income. Other funding may include adult and community education funding, local government support, program grants, fees, premises support and other revenue. Approximately 150 Victorian Houses access adult education funding.

The available financial statements do not provide a consistent breakdown of these revenue sources across the Victorian sample. The analysis therefore cannot compare the total public investment or overall financial position of Victorian and Tasmanian Houses.

The Victorian analysis also highlighted that operational expenditure has been increasing across the sector, with reviewed Houses reporting year-on-year expenditure growth ranging from 11% to 23%. This reflects similar pressures to those identified in Tasmania, where rising workforce costs and increasing operational expenses are placing pressure on the sustainability of existing funding models.

Victorian evidence suggests that Neighbourhood Houses across jurisdictions share a common operational cost profile characterised by workforce-intensive service delivery, relatively modest but necessary corporate and facility costs, and increasing pressure from rising operating expenses.

The evidence suggests that future sustainability will depend on a combination of clearly defined baseline requirements, transparent treatment of program and asset costs, and greater coordination of common functions. The opportunity is not limited to adjusting individual House funding. It also includes reducing duplicated effort and improving access to systems, specialist support and procurement arrangements that may be more efficiently organised across the network.

Key findings

- **Operating costs are increasing faster than income across the sampled Houses, reducing their capacity to absorb further cost pressures.** Half of sampled Houses reported operating deficits in 2024-25, and reported network staffing decreased by 5.6%. Workforce capacity declined across the network despite evidence of increasing community demand. Rising staff costs, insurance, utilities and compliance obligations are creating growing financial pressure that many Houses have limited ability to control. Where income growth does not keep pace, Houses have less capacity to absorb further increases and may reduce discretionary expenditure, defer activity or rely on costs being absorbed by staff and volunteers.
- **The current funding model does not clearly distinguish between the cost of maintaining a Neighbourhood House and the cost of delivering programs and services.** Operational costs such as staffing, governance, compliance, insurance, utilities, administration and asset maintenance are necessary to keep Houses operating regardless of program activity levels. However, there is limited visibility of the true cost

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of these baseline functions across the network, making it difficult to assess funding adequacy, compare Houses consistently, or align future funding with the services government expects Houses to deliver.

- **Greater coordination across the network could improve efficiency and sustainability, but shared services are likely to complement rather than replace investment in core operating costs.** Opportunities exist to improve efficiency through shared services, coordinated procurement and common systems. However, efficiency measures alone will not address underlying cost pressures or asset liabilities and should be considered alongside, rather than instead of, a clearly defined and appropriately funded operating model.

Recommendations

Recommendation 7: Determine the cost of the agreed minimum operating model

The minimum safe workforce model established under Recommendation 3 should form a core building block to determine the minimum operating model and its costing. Once the funded purpose and minimum operating requirements are agreed, the Tasmanian Government in consultation with Houses and NHT should undertake an analysis of the reasonable cost of the common staffing, governance, safety, compliance, administration and facility functions necessary to maintain a safe and functional House.

A significant proportion of Neighbourhood House expenditure relates to costs that are largely fixed regardless of program volume, including staffing, governance, compliance, insurance, utilities, audit and accounting services. These costs must generally be incurred to maintain operations even where Houses deliver relatively different volumes of programming or community activity. However, there is currently limited visibility of the full cost of these baseline functions across the network.

Future funding arrangements should provide a clear base level of funding that recognises the minimum staffing, governance, compliance, insurance, utilities and administrative costs necessary to keep a House open. This baseline should support a sustainable operating model regardless of program activity levels and provide greater certainty for Houses to meet essential obligations and respond to community need.

When considering future funding arrangements, the Tasmanian Government should remain aware that the costs of operating Neighbourhood Houses will change at differing rates to inflation, impacting long term financial sustainability. Where operating costs increase faster than grant funding, Houses will be less able to deliver services to the community.

The resulting analysis should establish the baseline operating cost to support the distinction between core operating costs and program delivery costs under Recommendation 8.

Recommendation 8: Distinguish core operating costs from program delivery costs

The Tasmanian Government should develop a clearer understanding of the true cost of program, community development and service delivery to inform future funding arrangements. Future funding models should distinguish between the baseline costs of operating a Neighbourhood House and the additional costs associated with delivering programs. Improved understanding of program delivery costs would support funding arrangements that better reflect the resources necessary to meet community demand, deliver outcomes and respond to changing local needs without drawing on core operational funding.

Recommendation 9: Enable Houses to test and pilot shared services and coordinated procurement opportunities

Building on discovery work undertaken by NHT, explore opportunities to expand shared service and collective purchasing arrangements across the network. The Tasmanian Government should enable interested Houses to develop and test shared service and collective procurement arrangements. Pilots could involve a small group of Houses and focus on services selected by participating Houses, such as insurance, human resources, finance, audit, employee wellbeing, governance support or technology.

Participating Houses should determine the lead organisation, governance arrangements, cost-sharing method and service requirements. NHT may support or participate where this aligns with its agreed mandate and capacity, but would not be required to administer each arrangement.

Each pilot should assess:

- current and proposed costs
- establishment and ongoing administration costs
- service quality and access to specialist capability

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- impacts on existing suppliers and local arrangements
- roles, responsibilities and risk allocation
- participation and withdrawal arrangements
- demonstrated savings or other benefits.

Greater access to shared professional services and coordinated procurement arrangements can deliver operational cost efficiencies and reduce duplication. Potential areas include insurance, human resources, finance, audit, employee wellbeing services, governance support and other specialist functions that are increasingly difficult for individual Houses to procure and sustain independently.

Pilot results should be shared across the network to inform any wider adoption. Savings should be recognised only after they have been demonstrated and should not be assumed in the calculation of baseline funding.

As in many sectors, consolidation and sharing of technology platforms/systems represents a significant opportunity to reduce cost and increase efficiency and quality in finance, governance, volunteer management, incident reporting and compliance functions. This could include establishing common templates, policies and reporting tools that reduce duplication and administrative burden; and network-wide approaches to cyber security, data management and information governance.

Recommendation 10: Establish a sustainable approach to property and asset responsibilities

The Tasmanian Government should lead the development of a sustainable approach to property and asset responsibilities, recognising asset ownership, maintenance and renewal as a component of the Neighbourhood House funding model. Future funding arrangements should provide a sustainable mechanism to support the ongoing ownership, maintenance, compliance and renewal costs associated with Neighbourhood House facilities, including:

- essential Building Services compliance requirements
- planned and responsive maintenance
- lifecycle renewal and replacement works
- reduction of deferred maintenance liabilities
- preservation of community infrastructure assets.

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4 Tiered Framework for Funding

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Purpose of this chapter

This chapter examines options for a tiered funding framework for Neighbourhood Houses and considers how funding can be structured to better reflect the costs of operation, community need, service demand and strategic objectives. It explores the principles and funding factors that could support a more sustainable, equitable and transparent approach to allocating funding across the network.

The design of the funding framework depends on a clear definition of what the Tasmanian Government intends to fund in relation to Neighbourhood Houses. The framework should distinguish the common functions and outcomes expected of every funded House from additional activities that may be funded through targeted or separately commissioned initiatives.

This chapter also addresses the following focus areas from the needs analysis specification:

- Evaluation of the current tiered funding framework's effectiveness and equity.
- Options for reforming or streamlining the framework to better align with community needs.
- Clear criteria for funding allocation that are transparent and evidence-based, including for the establishment of new Houses.
- Recommendations for review and renewal processes based on changing community needs and structures over time.

Evaluation of the current framework's effectiveness and equity

Tasmania's funding framework was established to provide a consistent basis for funding community-led organisations operating in areas of disadvantage. According to *Neighbourhood House Program Strategic Framework 2008-2013, Appendix 7, "Criteria for Funding Neighbourhood Houses in Tasmania"*, its central principle remains relevant: every House requires a viable operating base, while additional funding may be needed where community need, remoteness or population characteristics increase the demands placed on a House. The original framework sought to balance equity, transparency and administrative simplicity by using population, socio-economic disadvantage and remoteness to assign Houses to funding categories.

The framework has since been supplemented by indexation, election commitment funding, the Community Connector Program and specific arrangements for Phoenix Neighbourhood House on King Island. These additions have increased the funding available to Houses but have also reduced the extent to which total funding differs between categories. The central question is therefore no longer whether the framework contains a needs-based method, but whether that method produces funding allocations that remain sufficiently responsive to differences in operating context and community need.

Components of the current tiered funding framework

Neighbourhood Houses are primarily funded by core recurrent funding from DPAC on a three-year cycle, which awards grants through multiple funding components:

Component	Description and application
Base funding	A rubric to determine the level of base funding to which a House is entitled was first described in the Neighbourhood House Program Strategic Framework 2008-2013 and updated in subsequent editions. The rubric considers: - the House's location and degree of remoteness - the population size of its catchment - its index value of relative socio-economic disadvantage (SEIFA Index). A weighted combination of these factors results in each House being assigned a funding category (A, B, or C). In practice, once a house has been assigned a funding category, there is no periodic review as demographic conditions change. The framework describes guidelines for the establishment of new Houses, including a minimum catchment population, the availability of other services, and measures of local need.

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Component	Description and application
	The current categories determine relative allocations but do not expressly define the activities that the base allocation is intended to provide for.
Indexation	Core funding is awarded at three-yearly intervals, with an annual indexation applied (3.5% in 2023-24 and 3% in subsequent years)
Election commitments	The current 2024-2027 grant deed includes an additional 'booster' grant, also referred to as a 'Cost of Living Booster', of $50,000 per annum for each Neighbourhood House. The funding is non-indexed and arose from an election commitment made in 2024.
King Island	Phoenix Community House receives an additional (non-indexed) grant in the current grant deed, which is intended to address the higher costs of operating on King Island.
Community Connector Program	All 34 Houses are funded through the Community Connector Program (CCP) to employ an additional staff member at approximately 0.4 FTE. The CCP was developed during the COVID pandemic to provide easier access to social and health services, by linking community members to support services through warm referrals. Current CCP grant deeds provide an equal rate of funding to each House, which increases in each year of the program and is committed until 2027-28. Although not considered to be 'core funding', the CCP forms a significant proportion of House income and allows Houses to increase staffing levels, which have a positive impact on capacity across the House. The CCP illustrates how government may fund an additional function beyond the common operating base. Its future treatment should depend on whether the Community Connector function is confirmed as part of the ongoing role expected of every House or remains a separately funded program with defined outcomes.

Tasmania is the only state or territory in Australia that employs this method to determine core funding allocations – elsewhere in Australia core funding is broadly granted at a flat rate. Tasmanian Neighbourhood Houses also receive a higher quantum of base funding than Houses in other jurisdictions. A more detailed comparative analysis is included in Chapter 9.

Net result of the framework

The net result of the framework's application across 34 Tasmanian Neighbourhood Houses is a relatively small difference in total grant funding (including core funding, Cost of Living Booster and CCP), owing to the proportionally high and equally applied value of the Cost of Living Booster and CCP grants.

In the current funding year (2026-27) this can be expressed as follows:

- each of the 19 'Category A' Houses receives **6.4% more than** the 14 'Category B' Houses
- each of the 14 'Category B' Houses receives **3.5% more than** the 'Category C' House.

The framework retains a needs-based methodology for determining base funding allocations. The equally applied Booster and Community Connector grants have compressed the differences in total funding between categories. The resulting variation is small compared with the observed differences in community need, service access and operating context across the network.

Consequently, while the framework retains a needs-based methodology for determining base funding allocations, the introduction of the Booster Grant has substantially compressed the differences in total funding received between Houses. As a result, the variation in overall grant funding across the network is relatively small when compared to the variation in community characteristics, service demand and operational contexts. This suggests that the current framework operates more as a mechanism for modest differentiation rather than one that drives materially different funding outcomes between Houses.

Strengths and limitations

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Underlying principle

According to *Neighbourhood Houses - Building Community: Strategic Framework 2008-2013, section 8, "Funding Neighbourhood House Services"*, the current framework is based on the principle that government funding should be directed according to relative community need. The Framework established a baseline funding level and provided for additional funding where socio-economic disadvantage, population size or remoteness indicated a higher level of need. It sought to make funding criteria consistent, credible, transparent and administratively practical.

This remains a sound basis for public funding. It recognises that equal funding does not necessarily produce equitable outcomes where Houses operate in materially different settings. This approach relies on the quality and completeness of data, or proxy data, that can illustrate the need for interventions among a particular population.

The framework also allows space for an Asset-Based Community Development (ABCD) model. Under this model, Houses draw on local relationships, knowledge, skills and community capacity to develop their programming, rather than defining communities only by disadvantage. The 2018-2023 Strategic Framework describes the community development approach as asset-based and centred on local strengths, ideas and participation.

These principles are complementary. Measures of disadvantage, population and service access can identify where additional public investment may be needed. Information about local assets and capacity can then inform how that investment is used. Assets should not, however, be treated as a substitute for a viable operating base or used to reduce funding to Houses that have successfully developed partnerships, volunteers or other local resources.

The model is effective in that it allows, in broad terms, for both the minimum resourcing necessary for every House to meet its core operational responsibilities and for an ABCD approach. Regardless of community context, all Houses must maintain essential functions such as governance, compliance, workforce and volunteer management, community engagement, and partnership coordination to operate safely and effectively.

Alignment between funding and funded purpose

A future funding framework should begin with a clear statement of the functions and outcomes the Tasmanian Government expects every funded House to deliver. This would provide the basis for defining the minimum operating model and determining the level of baseline funding necessary to support it.

Baseline funding could support the common functions expected of every House, including maintaining an accessible community presence, applying a community development approach, engaging with the local community, supporting participation and volunteering, maintaining safe governance and operational arrangements, and connecting people with information and services within the agreed role.

Activities outside the common funded purpose could be supported through targeted or separately commissioned funding where government seeks defined additional outcomes. Each arrangement should state its purpose, eligibility, duration, expected outcomes and reporting requirements.

This distinction would also clarify that locally selected activities do not automatically create an ongoing funding commitment.

Data limitations

The evidence base used in the rubric has inherent limitations. The current grant deed (2024-27) determined House categories and fixed funding allocations using census data collected in 2021, including as the underlying source of SEIFA data.

There is, however, no mechanism to adjust for the impacts of rapid population growth, demographic change, or socio-economic shocks experienced by communities in the six years between data collection and the end of the current funding cycle.

A future framework could mitigate this limitation by retaining objective demographic measures while incorporating a limited set of supplementary, more dynamic indicators that better reflect current demand and operating context.

Catchment definitions

The original framework defined metropolitan and non-metropolitan catchments using standard geographic radii, adjusted where settlement patterns or natural barriers required a different boundary. These definitions provided a practical starting point for applying the funding rubric, according to *Neighbourhood House Program Strategic Framework 2008-2013, Appendix 7, metropolitan and non-metropolitan catchment definitions.*

In practice, House activity may extend beyond a fixed geographic radius. People may attend a House because of transport routes, existing relationships, program availability, perceived safety, community identity or the absence of

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another accessible service. Rural Houses may serve dispersed populations over large distances, while urban Houses may draw participants from adjoining suburbs where needs and service access differ.

The use of a fixed catchment should therefore be supported by local evidence of actual reach. This could include participant location data at an appropriate level of aggregation, referral patterns, outreach activity, travel times and local service availability.

Limited reflection of service demand and operating context

The framework is centred on the characteristics of the community surrounding a House. This is appropriate for place-based funding but provides only a partial view of the demands placed on each organisation.

The House Survey and consultation feedback identified differences in service demand, presentation complexity, volunteer availability, workforce access, property responsibilities and the availability of external services. These factors influence the staffing and resources necessary to operate safely and sustainably, even where catchment-level demographic indicators are similar.

Including too many factors would make the model complex and difficult to understand and administer. A revised framework should therefore distinguish between:

1 a stable baseline that applies to every House

2 a transparent, data-based component reflecting place and community need

3 limited supplementary funding triggered by clearly defined operating circumstances.

This structure would preserve the current model's transparency while allowing funding to respond to material differences that the category system does not fully capture.

Funding certainty and responsiveness

Multi-year grant deeds provide Houses with greater certainty than annual funding and support workforce and operational planning. The sample core grant deed covers the period to 30 June 2027, with payments linked to annual reporting requirements.

However, fixed allocations over a multi-year period can become less responsive where costs or demand change materially. A clear review mechanism is needed to avoid reopening the entire funding arrangement each year while still allowing adjustment where there is verified evidence of a substantial change in community need or operating conditions.

Options for reform

DPAC's core intent in funding Neighbourhood Houses is to support a place-based community development delivery mechanism that responds to the specific needs of individual communities, and to meet community needs that cannot be provided through other means. In practice this means funding staff and non-staff costs in such a way that a House can operate sustainably, equitably and safely.

The options for consideration below are not mutually exclusive. Elements could be combined into a revised model. Each option would need financial modelling against current allocations and testing with Houses before a preferred approach is adopted. Further analysis and refinement may be required to test the practicality, feasibility and administration requirements of each option.

Options to amend the current framework include:

Delineate grants between staff and non-staff costs

Staffing accounts for the largest proportion of expenditure incurred in Houses. Annual increases in the SCHADS Award have exceeded DPAC's indexation level in four of the last five years, eroding the buying power of the core DPAC grant in each year of the award.

Delineating staff costs at the baseline FTE and as a ring-fenced portion of the grant (although critically, not needing additional reporting) would allow for a variable indexation rate to be applied annually that matches the SCHADS Award increase and more meaningfully maintains a House's capacity to recruit and retain staff. Core funding over and above this level is then clearly intended for non-staff costs and calculated separately using the category matrix.

Replace the current funding categories with a clearer (and equalised) component-based model

'Base case' funding for operational fixed costs must support a sustainable and safe operating model. By eliminating the categories, a new framework could prioritise equity across the network and recognise that basic funding

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requires the same baseline FTE in all Houses to operate safely and remain open for the 38 hours per week required under the grant deed, regardless of location or demographics of the catchment. This option would apply the same logic to core/base non-staff costs and bring DPAC's funding model in line with other Australian jurisdictions.

Create a top-up needs formula that augments core funding

A top-up needs formula model would retain a common core allocation and provide supplementary funding where objective evidence demonstrates additional community need or unavoidable operating pressure. This would provide every House with a consistent operating base while allowing funding to respond to material differences between catchments.

Neighbourhood House Catchments in Tasmania Summary Report by .id Consulting shows a broad distribution of need across the network. Index scores range from +1.15 for the highest-ranked catchment to −0.99 for the lowest-ranked catchment, a spread of 2.14 standardised index points. Nine of the 38 catchments are in the highest-need tier, while eight contain concentrated disadvantage that is masked by the broader catchment average. Need also takes different forms, including entrenched disadvantage, rural and remote access constraints, population growth, ageing and social isolation.

A top-up needs formula could therefore consider socio-economic and housing pressure, population and demographic change, access to services, remoteness, transport and digital barriers, and concentrated disadvantage within a broader catchment. Separate operating-context criteria could recognise verified additional costs associated with island or remote delivery, outreach, dispersed catchments, multiple sites, freight, property or security. This distinction would avoid using demographic indicators as a proxy for operating costs they do not directly measure.

Activity volumes may provide supporting evidence of demand but should not determine funding in isolation, as recorded activity can be influenced by staffing, opening hours, facilities, program availability and data quality. Scenario modelling should test whether the proposed criteria produce reasonable funding differences across the observed range of need, while limiting volatility when source data or catchment conditions change.

Cross-government funding

Some activities undertaken by Houses intersect with the responsibilities and priorities of government agencies other than the Department of Premier and Cabinet. These include activities associated with health, mental health, housing, food security, education, employment, emergency relief, digital inclusion and support for families or older people.

The jurisdictional scan identifies funding models that combine operational funding with program-specific and multi-agency investment. Queensland Neighbourhood Centres may receive additional funding for energy relief, community connector roles and social prescribing. Many New South Wales Centres receive funding through the Targeted Earlier Intervention Program. Western Australian Centres receive funding through community and regional development programs administered by different government agencies.

These arrangements show how additional activities can be linked to the portfolio responsible for the intended outcome. They may also create additional funding agreements, reporting requirements and time-limited positions.

Activities outside the common funded purpose could be assessed by the Tasmanian Government to determine whether they should be:

- included in the ongoing role and baseline funding of Houses
- supported through a targeted network-wide program
- commissioned or co-funded by another government agency
- delivered through a partnership with a specialist service
- treated as a locally determined activity outside the funding commitment.

This assessment should identify the intended outcome, responsible agency, role of Houses, duration of funding, workforce implications and reporting requirements.

Targeted and/or separately commissioned funding

A future funding model could combine stable baseline funding with targeted or separately commissioned funding for defined additional outcomes. Under this approach, all Houses would receive baseline funding to deliver the common functions and minimum operating requirements agreed by government. Targeted funding would be available for activities that extend beyond that purpose or respond to a defined policy priority.

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Targeted initiatives could address matters such as social connection, food security, digital inclusion, health promotion or identified local pressures. The subject and scope of each initiative would be determined by government priorities and evidence of community need.

Funding could be allocated through competitive, needs-based, invitation or commissioning processes. The selected approach should reflect the intended outcome and whether participation is required across the network or in specific locations.

Competitive grants may support local choice and innovation. They can also increase funding uncertainty and favour Houses with greater capacity to prepare applications. A needs-based allocation or commissioning process may be more suitable where an established need requires a coordinated response.

Reporting should be proportionate to the funding and risk involved. Existing organisational information, reporting periods and systems should be used wherever possible.

Streamline process and structure

An opportunity exists to simplify the administrative structure of Neighbourhood House funding. Recurrent funding for functions included in the common Neighbourhood House role could be consolidated into a single grant deed. Consolidating and streamlining base funding, Community Connector Program funding and other recurrent operational funding into a single grant deed would reduce administrative complexity for House Managers and boards, improve certainty for Houses and make the overall funding framework easier to understand and administer for both funding recipients and government.

If the Community Connector Program remains a separate funding component, its allocation could be tested against the outputs of community needs modelling. A common allocation could support a minimum level of Community Connector capacity across all Houses, with additional funding directed to communities experiencing higher levels or concentrations of need.

Testing should consider the intended purpose of the Program, differences in demand and complexity, funding stability and the reliability of available indicators. It should also assess distributional effects before any change to current allocations.

Criteria for funding allocation

Balancing equity, need and assets

A potential criterion for funding allocation is the extent to which the funding framework balances equity, community need and organisational capability. While measures of disadvantage, population size and remoteness provide important indicators of need and should continue to inform funding decisions, consideration could also be given to the baseline capacity necessary for all Houses to operate safely and effectively. This recognises that, regardless of location or funding category, all Houses are responsible for core functions such as governance, compliance, volunteer management, community engagement and partnership development. Under this approach, funding allocation would comprise a foundational level of support to sustain these core functions, supplemented by additional funding that reflects differing levels of need, complexity and local circumstances. This would help ensure Houses have the capacity to leverage community strengths and assets while delivering community development and services in areas of greatest need.

Proposed criteria

A revised allocation model could include three components:

- **Baseline**, providing every funded House with a minimum level of operating capacity.
- **Community context**, recognising differences in socio-economic conditions, population, service demand and catchment.
- **Criticality**, recognising where remoteness or limited alternative services increases reliance on the House.

The components provide a basis for testing a revised model. Indicators and weightings would need further development and testing against available data, including safeguards to avoid double counting related factors.

Proposed criteria for funding allocation

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Component	Criteria and purpose	Potential evidence base	Proposed treatment
Core funding	**Baseline operating capacity:** Provide every funded House with sufficient resources to meet common staffing, governance, safety, administration and community development requirements.	Agreed minimum operating model; House financial and workforce data; grant obligations; analysis of common operating costs.	Fixed baseline for all funded Houses, indexed for relevant wage and non-wage cost movements.
Community needs	**Socio-economic need:** Recognise communities experiencing higher relative disadvantage and associated support needs. **Population and demographic profile:** Recognise the size and characteristics of the population likely to access the House. **Service demand and complexity:** Recognise sustained differences in the volume, intensity and nature of demand experienced by Houses. **Community reach and catchment:** Recognise the practical area and population served where this differs from the standard geographic catchment.	Most recent ABS SEIFA and Census data; Estimated Resident Population and population projections; relevant local indicators; consistently defined and proportionate House data; referral and presentation information; de-identified participant location data; outreach coverage; referral patterns and transport routes.	Weighted adjustment based on multiple community-context indicators. Demand and complexity would be used as supplementary evidence where sustained differences can be demonstrated. Community reach would validate or adjust the modelled catchment rather than operate as a standalone reward for activity volume.
Criticality	**Remoteness and geographic access:** Recognise additional travel, freight, workforce, training and service-access constraints associated with remote, island or geographically dispersed communities. **Availability of alternative services:** Recognise locations where a House is one of few accessible sources of community support, referral, local infrastructure or facilitated access to other services.	ABS remoteness classification; road travel times; island accessibility; workforce availability; freight and travel cost evidence; verified service mapping; service frequency; distance and travel time to comparable or complementary services; documented access barriers.	Targeted criticality adjustment where defined geographic or service-access thresholds are met. The assessment would consider actual accessibility and local operating conditions, rather than relying only on standard remoteness classifications or the nominal presence of another service.

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The framework is intended to produce one consolidated allocation for each House, rather than separate funding streams for each criterion. Model testing would need to show the distributional effects under both the existing funding envelope and any alternative funding scenarios.

A future funding framework should also consider potential efficiency gains through greater collaboration and coordination across the network. Houses currently utilise a range of different administrative, financial, volunteer management and reporting systems. There may be opportunities to improve efficiency, consistency and risk management through greater use of shared platforms, standardised reporting tools and common administrative systems across the network. However, consideration should be given to how this is achieved without disincentivising Houses from pursuing further efficiencies.

Consideration for establishing a new House

When considering the establishment of a new Neighbourhood House, government should assess demonstrated community need, access to existing services, community support, governance capability and long-term operating viability. These considerations would support a consistent assessment of whether a new House is an appropriate response to the identified need.

Consideration of a new House should draw on demographic, socio-economic and service-access data, supported by local evidence from communities, existing Houses, local government and service providers. Community needs modelling could inform this assessment by identifying the nature and concentration of need, access barriers and the availability of other services.

The assessment should also consider whether the identified need could be addressed through an existing House, outreach, mobile or visiting delivery, partnership arrangements, transport assistance or other access measures. Evidence of community need would not, on its own, establish that a new fixed House is the appropriate response.

Any proposal for a new House should demonstrate local community support, a viable governance and leadership model, access to an appropriate workforce and the capacity to operate safely and sustainably. Government would also need to confirm the recurrent funding necessary to support the minimum operating model and assess the implications for existing Houses where the total funding envelope remains unchanged.

Illustrative funding models

Model	Features	Implications
Needs-assessed baseline	A combination of core, needs-assessed, and criticality adjustments. This comprises: • Core: equivalent to a costed minimum safe operating budget (agreed safe staffing level, utilities and occupancy costs, others). • Criticality: adjustments for island and remote Houses, Houses travelling long distances for outreach, and other unavoidable operating costs. • Needs component: allocated based on a proportional distribution of budget using the scaling system captured in the Needs Analysis.	This model best aligns with local autonomy, variation in need, workforce sustainability and public accountability. It is likely to result in a unique grant deed value for each House. The model is well suited to multi-year grant deeds, with differentiated indexation of grant components, periodic recalibration, and defined review triggers. Avoids any inequity between Houses with lower capacity or capability to submit applications.
Mixed portfolio	In addition to a needs-assessed baseline, introduce a competitive funding pool to include: • a small competitive priority fund • a collaborative innovation fund that rewards joint working between Houses • separately commissioned specialist programs	Competitive funding should be additional to (rather than a substitute for) core and needs funding. Consideration needs to be given to mitigating disparity in capacity and capability to apply. Reporting should not replicate any materials.

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	• capital and asset funding outside the operating formula.	
Tiers and categories	Broadly retain the existing Category A, B, and C tiered structure, with a refreshed approach to determining funding levels and which Houses are included in each category.	This is a familiar continuation of the status quo, and simpler to administer than a continuous formula, but is less precise and more vulnerable to arbitrary threshold effects.
Comprehensive	Build a bottom-up approach to funding Houses based on comprehensively addressing the requirements identified in the Needs Analysis. This is then appended with a staffing model over and above the frontline and service delivery team to cover management/administration, and governance support needs of Houses.	This model is likely to result in increased funding intensity and a higher level of resourcing for Houses compared to other models. It is administratively burdensome and more complex than other models.

Key findings

- **The current funding framework retains a sound needs-based foundation but no longer produces materially different funding outcomes across Houses with different levels of need and operating complexity.** The introduction of additional funding streams such as the Community Connector Program has compressed funding differences across the network, reducing the framework's ability to respond to variations in community need, service demand and operating context. The evidence shows that current differentiation is limited but does not establish the percentage difference that should apply under a revised model. This requires scenario testing against agreed equity and stability objectives.
- **Funding arrangements are not yet clearly linked to an agreed purpose for Neighbourhood Houses or the minimum operating model necessary to deliver that purpose.** A clearer distinction between baseline operating requirements and additional place-based or program funding would improve transparency, equity and alignment between expectations and funding. It would also support decisions about when targeted or cross-government funding is appropriate.
- **A more evidence-informed, responsive and longer-term funding framework is needed to reflect changing community needs and operating environments over time.** Current arrangements rely heavily on static datasets and fixed allocations, limiting the ability of the framework to respond to population change, emerging demand and shifting service contexts. The use of core, supplementary and program funding also requires clearer treatment of ongoing and time-limited activities and the funding instrument used for each.
- **Some House activities intersect with the responsibilities of several government agencies.** The jurisdictional analysis identifies models that combine operational funding with targeted, program-specific and multi-agency funding. Applying these approaches in Tasmania would need clear responsibilities, coordinated funding arrangements and proportionate reporting.

Recommendations

The following recommendations are made based on optimising DPAC's intent in funding community development through Neighbourhood Houses:

Recommendation 11: Adopt, test and refine a revised funding framework

The Tasmanian Government should consider the options for reform, and develop and implement a revised funding framework that provides an appropriate baseline level of funding for all Neighbourhood Houses, adjusted to recognise place-based need, operating context and service demand. This framework should be developed to reflect the purpose, role and funding scope developed as proposed in Recommendation 1.

The revised framework should establish a minimum funding level that supports a sustainable and safe operating model across all Houses, regardless of location. This minimum funding model should be determined through a flexible approach that considers factors such as community disadvantage, remoteness, population characteristics, service demand and other local circumstances. The framework should be trialled and evaluated during an initial implementation period to assess its effectiveness, transparency and equity.

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Targeted or separately commissioned funding (including through competitive processes) may support defined activities or outcomes outside the common funded purpose. Each arrangement should identify the responsible agency, eligibility, duration, expected outcomes and reporting requirements. Where possible, reporting should leverage and reuse existing information rather than increasing reporting burdens.

Scenario modelling should test the degree of funding differentiation produced by the revised framework, and transitional arrangements could be considered as part of the revised framework so that changes can be introduced without sudden disruption to staffing or service continuity. Its effectiveness and equity should be evaluated after an initial implementation period.

Recommendation 12: Consider appropriate indexation

When considering a revised framework, the Tasmanian Government should consider the appropriate indexation to apply to the workforce and non-workforce components of recurrent funding. The cost of employing a given role will frequently increase above CPI for reasons outside of the control of Houses (e.g. due to award rate increases). Funding decisions should consider the consequence of applying indexation below the “true” inflation rate (i.e. that a real funding reduction may lead to service reductions).

It is noted that the Government is currently working with community sector organisations to address these challenges at a sector level.

Recommendation 13: Introduce longer-term funding arrangements

The Tasmanian Government should introduce longer-term funding arrangements that provide greater certainty for Neighbourhood Houses while maintaining flexibility to respond to emerging priorities and changing community needs. Core operational funding should be provided through longer grant terms to support workforce stability, strategic planning and service continuity. Targeted or program-specific funding streams may continue to operate on shorter cycles where appropriate; however, these should generally be funded over a minimum three-year period with a formal review process starting at the end of year two.

Where a time-limited initiative becomes part of the ongoing role expected of Houses, its funding and workforce requirements should be reviewed before the end of the funding term.

This challenge is similarly being addressed by government at a sector level.

Recommendation 14: Introduce a structured review and renewal process

The Tasmanian Government should introduce a structured review and renewal process to ensure funding allocations remain aligned with contemporary community needs and operating environments. The review process should occur at regular intervals and use the most current available data to assess whether funding allocations continue to reflect demographic trends, socio-economic conditions, population change, service availability and emerging community challenges. The process should also consider changes to regulatory requirements, workforce costs, compliance obligations and operating environments that influence the sustainability of Neighbourhood Houses. Regular review and adjustment would help ensure that the funding framework remains responsive over time and reduces reliance on historical data that may no longer accurately reflect local need.

Possible review triggers include a sustained and verified change in population, community need, service availability, remoteness classification, catchment reach or unavoidable operating cost. A review trigger should prompt assessment rather than an automatic funding adjustment.

Recommendation 15: Establish criteria for considering new Neighbourhood Houses

The Tasmanian Government should establish clear criteria for considering the establishment of a new Neighbourhood House. The criteria should address community need, existing service access, alternative delivery options, local support, governance and workforce capability, recurrent funding requirements and implications for existing Houses. Community needs modelling and local evidence should inform the assessment. The process should establish whether a new fixed House is the most appropriate response to the identified need.

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5 Community Needs Identification

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Purpose of this chapter

The purpose of this chapter is to assess how Neighbourhood Houses identify, prioritise and respond to community need, the extent to which current community development activities and services align with community demand and the role partnerships play in enabling community outcomes.

This chapter also addresses the following focus areas from DPAC's needs analysis specification:

- A documented methodology for identifying and prioritising community needs.
- Based on community needs modelling, mapping of current services against community demand, highlighting gaps, overlaps and associated resource and cost implications needed to meet identified need.
- Framework for measuring the impact of partnerships on community outcomes, including how collaboration may influence cost effectiveness.

Current approach to identifying community needs

Neighbourhood Houses are generally effective in understanding and responding to local community needs. This is supported by strong local relationships, community trust and flexibility in responding to changing circumstances. The principal gap lies in the inconsistent documentation of how needs are identified, prioritised and translated into activities, limiting the ability to demonstrate outcomes and bring local evidence together at a network level.

Neighbourhood Houses adopt a range of approaches to identifying community needs, drawing on both structured community development methods and ongoing engagement with community members, volunteers, service providers and other local stakeholders. Houses most commonly identify and respond to community needs through a combination of:

- informal discussions with community members accessing the House
- feedback from volunteers, staff and community groups
- partnerships with local service providers and referral agencies
- demographic and socio-economic data
- community surveys and consultation activities
- observations of emerging issues within the community.

Examples provided by individual Houses demonstrate the breadth of approaches currently being used. Some Houses undertake structured community engagement activities, including community surveys, stakeholder workshops, program evaluations and analysis of demographic data to identify service gaps and emerging priorities. Other Houses rely more heavily on ongoing conversations with participants, volunteers, local service providers and community members, using these relationships to identify emerging needs and adjust activities accordingly. In practice, many Houses use a combination of formal and informal approaches, reflecting the diverse operating environments and capacities across the network.

Additionally, NHT has resources to support Houses in undertaking community development and identifying, assessing and responding to local community needs. These resources are underpinned by a place-based community development approach and recognise that community priorities, strengths and challenges differ across locations.

Key NHT resources include:

- *The Neighbourhood House Program Strategic Framework*, which outlines the role of community development within the Neighbourhood House model and highlights the importance of consultation and community-led decision-making in identifying local priorities.
- *Community Development in Action: A Handbook for Neighbourhood Houses,* which provides practical guidance on community development approaches and tools, including relationship building, asset-based community development, appreciative inquiry, consultation techniques and evaluation methods.
- The *Community Development Toolkit: Connecting Ideas and Processes,* which includes practical tools to support community consultation, action planning, evaluation and project development.

The analysis found variation in how community needs are identified, documented and evidenced across Houses. This flexibility enables Houses to tailor their approach to local circumstances; however, it also creates challenges in demonstrating a consistent and evidence-based approach to community needs identification across the network.

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There is currently no consistent approach to evidencing community need across the network, creating challenges including:

- limited visibility at a network level of how community needs are identified and prioritised across Houses
- difficulty consistently demonstrating the relationship between identified community need and services delivered
- inconsistent information to support planning, funding, advocacy and reporting
- reduced ability to identify and compare emerging trends across communities
- limited evidence to support network-wide decision-making and future investment priorities.

While community needs identification is clearly occurring across the network, there is an opportunity to strengthen consistency in how information is documented, evidenced and reported, while maintaining the flexibility necessary for Houses to respond to local community contexts.

Mapping of current services against community demand

Community needs modelling undertaken by .id consulting indicates that Neighbourhood Houses are responding to significant demand across Tasmania that available services are not fully addressing, particularly in communities experiencing socio-economic disadvantage, housing stress, ageing populations, social isolation, youth disengagement and limited access to services.

The modelling identified nine catchments in the highest-need tier, with the greatest levels of need concentrated in Ravenswood, St Helens, Tasman, Central Highlands and Fingal Valley. These communities are characterised by either disadvantage or barriers to accessing services associated with rurality and remoteness.

In disadvantaged catchments, Houses are responding to demands for practical supports, food security, financial stress support, service navigation, family support and education pathways. In remote and rural communities, Houses frequently act as local access points where mainstream services are limited by distance, transport barriers and digital barriers.

> *"They've helped our family with food, activities for our children and applying for services helpful to our needs."*
>
> *"Due to distance often people are isolated, Neighbourhood Houses are designed to connect people to services, programs and events."*
>
> ***.id Consulting Survey Responses - Current Neighbourhood House Users***

The modelling identified a number of recurring themes that Neighbourhood Houses respond to, including:

- cost of living and financial hardship support, driven by high levels of income vulnerability and reliance on government payments
- housing and homelessness-related support, reflecting widespread rental stress and community concern about housing affordability
- mental health, wellbeing and social connection services, particularly in ageing and isolated communities
- education, employment and digital inclusion programs, responding to elevated youth disengagement and employment vulnerability across many catchments
- service navigation and referral coordination, particularly where fragmented service systems, poor visibility of available services and limited understanding of referral outcomes create barriers to accessing support

> *"My Neighbourhood House has given me a place to go and be part of a loving group of people, as I deal with PTS, depression and suicidal thoughts."*
>
> ***.id Consulting Survey Response - Current Neighbourhood House User***

The modelling also identifies geographic inequities. Remote and rural catchments often face service shortages arising from distance and accessibility constraints, while several catchments contain pockets of concentrated disadvantage that are masked by broader catchment averages. As a result, community need may be greater than is reflected in catchment-wide indicators alone.

Overall, evidence from .id Consulting suggests that a major challenge is a mismatch between community demand and available resources. Neighbourhood Houses are increasingly providing unfunded or underfunded responses to complex community needs while also undertaking significant coordination, referral and community connection functions.

Partnerships and community outcomes

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The role of partnerships

Partnerships are a core component of the Neighbourhood House model, with all Houses maintaining current partnerships. Partnerships enable Houses to extend their reach, connect community members with specialised support, and respond to increasingly complex community needs. Across Tasmania, partnerships support access to health, education, employment, housing, wellbeing and community services, particularly in communities where service availability is limited. Neighbourhood Houses also act as trusted local connectors, helping people navigate services and engage with supports they may otherwise be unable or unlikely to access. On average, Houses maintain approximately 30 partnerships, although the scale of partnership networks varies significantly, ranging from four partners to more than 70 partners.

Consultations, surveys and workbook responses demonstrate that partnerships are embedded within the operation of most Houses. Specifically, partnerships support Houses to:

- connect community members to specialised services
- deliver programs that would otherwise be beyond the capability or resources of individual Houses
- improve accessibility to services in regional, rural and disadvantaged communities
- leverage community knowledge, infrastructure and expertise
- respond more effectively to emerging and complex community needs.

Survey respondents and stakeholder organisations consistently described Neighbourhood Houses as trusted local connectors that help individuals navigate services and access support. Many Houses reported co-designing and co-delivering programs, sharing resources and responsibilities and working collaboratively to address local priorities:

> *"Partnerships reduce pressure on our workforce by sharing responsibility for coordination and delivery, provide opportunities to debrief with people who understand the realities of community development, introduce new ideas and specialist expertise, and expand opportunities for our community through the social capital and networks of partner organisations."*
>
> ***Roundtable participant***

Further, the partnership model described by another House representative demonstrates how shared planning, staffing and accountability can create outcomes that neither organisation could achieve independently.

Partnerships are particularly important where community members need specialist assistance. Clear referral pathways and effective relationships with service providers allow Houses to support access while remaining focused on their community development and local connection role. Where specialist services are unavailable or have limited capacity, the ongoing support provided by Houses should be better understood and reflected in program planning.

Partnership outcomes observed across the network

Evidence gathered through consultations, survey responses and workbook submissions suggests partnerships contribute to four broad categories of outcomes.

Improved access to services

Partnerships help reduce barriers associated with location, transport, cost, awareness and trust by bringing services closer to communities. Houses reported facilitating referrals, hosting outreach services and supporting service navigation across areas such as housing, financial counselling, legal services, mental health, aged care and employment support. One House emphasised that its partnership with Services Australia improves community members' access to services:

> *"Services Australia being present in the community reduces barriers such as transport, anxiety and receiving inconsistent information."*
>
> *"Our partnerships are critical in improving referral pathways and increasing access to services and resources."*
>
> ***Survey responses***

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Increased participation and inclusion

Partnerships enable Houses to provide a broader range of programs and activities than would otherwise be possible. Collaborations with schools, community organisations, health providers and volunteers support opportunities for social connection, lifelong learning, skills development and community participation.

> *"Partnerships with schools and education providers support lifelong learning, youth engagement and intergenerational connection."*
>
> ***Survey response***

More effective responses to community needs

As community needs become more complex, partnerships provide a mechanism for connecting people with specialist services while allowing Houses to maintain their community development focus. Partnerships with housing, mental health, family support, financial counselling and other specialist providers were consistently identified as critical pathways for supporting vulnerable community members. However, consultations also highlighted that referral pathways do not always translate into timely access to services, with Houses often continuing to support individuals while they wait for specialist assistance.

> *"Services available to take referrals are significantly reduced and wait times and capacity constraints have increased. Neighbourhood Houses are almost triage services."*
>
> ***Roundtable participant***

Greater value through collaborative delivery

The most mature partnerships deliver benefits beyond service access alone. Examples identified through workbook responses included co-designed programs, shared staffing arrangements, joint planning and shared accountability for outcomes. These arrangements combine local knowledge, community trust and specialist expertise, resulting in greater impact than either organisation could achieve independently.

> *"Through co-design, co-facilitation, co-evaluation and shared investment, both organisations contribute their expertise and workforce to achieve better outcomes than either could deliver alone."*
>
> ***Survey response***

Key challenges

While partnerships are widely viewed as important to the network, the needs analysis has identified limitations that constrain Houses' ability to understand, assess and optimise the value generated through collaboration.

Limited visibility of referral pathways and outcomes

There is limited visibility across the network of what happens after a referral is made. Houses report on the number of referrals made, but there is generally limited information available regarding whether referrals resulted in service uptake, whether community needs were addressed or whether waitlists, capacity constraints or other barriers prevented access to support. As a result, Houses and government have limited ability to assess the effectiveness of referral pathways, identify service gaps or understand where additional investment may achieve the greatest benefit.

Partnerships are not routinely informed by outcome data

Many partnerships have evolved organically in response to local needs, relationships and service availability. While this flexibility is a strength of the Neighbourhood House model, there is limited use of consistent outcome data to assess partnership performance or inform decisions regarding future partnership priorities. Few mechanisms currently exist to systematically evaluate community outcomes achieved through partnerships, comparative effectiveness of different partnership models, unmet community needs that may require new partnerships or opportunities to expand or discontinue partnerships based on evidence.

Limited understanding of the true cost of partnership delivery

There is limited visibility regarding the resources necessary for Houses to establish and maintain partnerships. While partnerships are often perceived as a means of leveraging external resources and increasing service reach, the hidden costs incurred by Houses are rarely quantified or reported. Such costs may include:

- provision of office, program or outreach space
- staff time dedicated to coordination, relationship management and referrals
- utilities and technology costs

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- volunteer contributions necessary to support partnership activities
- direct financial contributions to joint initiatives.

Without a clear understanding of these inputs, it is difficult to assess the true cost effectiveness of partnerships or the local level of investment being contributed by Neighbourhood Houses.

Opportunity for a more consistent partnership outcomes framework

There is an opportunity to establish a consistent framework for measuring partnership outcomes across the network. Such a framework would improve an understanding of:

- community outcomes generated through partnerships
- referral effectiveness and access to services
- the value created through collaborative service delivery
- the workforce and financial commitment necessary to sustain partnerships
- which partnerships deliver the greatest strategic value and community benefit.

Key findings

- **Neighbourhood Houses are generally effective at identifying and responding to local community needs, supported by strong community relationships, trust and local knowledge.** However, approaches to documenting and evidencing community need vary across the network, limiting visibility of emerging trends, service gaps and investment priorities.
- **Community needs modelling indicates that Houses are responding to significant unmet demand, particularly in communities experiencing disadvantage, isolation and limited access to services.** Evidence suggests there is a growing mismatch between the complexity of community need and the resources available to respond, with Houses increasingly providing unfunded or under-funded support.
- **Partnerships are a critical enabler of community outcomes, helping Houses improve access to services, increase participation and respond to complex community needs.** However, there is limited visibility of referral outcomes, partnership effectiveness and the true cost of partnership delivery, reducing the ability to assess impact and inform future investment decisions.

Recommendations

Recommendation 16: Establish a structured methodology for identifying and prioritising community needs

Building on the community development resources already developed by NHT, the peak body should establish a consistent methodology to support Houses in systematically identifying, documenting and prioritising community needs. This could involve consolidating existing guidance contained within the Strategic Framework, Community Development Handbook and Community Development Toolkit into a single, practical methodology that can be applied consistently across the network.

The methodology should not replace the flexibility and local responsiveness that are central to the Neighbourhood House model. Rather, it should provide a consistent framework for evidencing decision-making, enabling Houses to demonstrate how services respond to community need while improving network-wide and government visibility of emerging issues, service gaps and investment priorities.

The methodology should also support Houses to review community needs and priorities regularly, using local knowledge and engagement alongside relevant demographic, socio-economic, service-access and operational evidence. Where appropriate, this evidence should support broader analysis of community need, service availability and referral pathways under Recommendation 2. Recommendations 2 and 16 together would support local priority setting within Houses and inform the ongoing planning and commissioning of community services across relevant government portfolios.

Recommendation 17: Implement a network-wide framework for measuring partnership outcomes and cost-effectiveness

NHT should develop and implement a proportionate, network-wide framework to consistently assess, prioritise and evaluate partnerships across the Neighbourhood House network. The framework should assess the value generated through collaboration against a common set of criteria such as community outcomes, referral effectiveness, partnership quality and cost-effectiveness.

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The framework should support evidence-based decision making by improving visibility of referral pathways, community outcomes and service gaps, while also capturing the resources contributed by Neighbourhood Houses to sustain partnerships, including staff time, volunteer effort, facilities and direct funding contributions. This would enable the government and the network to better understand which partnerships are delivering the greatest benefit for communities and the return on investment generated through collaboration.

Importantly, the framework should be scalable and proportionate to the size and capacity of individual Houses. Reporting requirements should leverage existing data wherever possible and focus on a small number of meaningful indicators to minimise administrative burden while still providing sufficient information to evaluate partnership effectiveness and inform future investment decisions.

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6 Location of Houses in Relation to Need

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Purpose of this chapter

This chapter examines how the location of Neighbourhood Houses aligns with areas of current and emerging community need across Tasmania. It draws on community needs modelling and consultation findings to understand where Houses are supporting communities experiencing disadvantage, service access barriers, population change and increasing demand for support.

This chapter also addresses the following focus areas from DPAC's needs analysis specification:

- Drawing on community needs modelling, complete geographic analysis of current House locations compared with areas of highest socio-economic need.
- Projected future need arising from demographic and community change.
- Recommendations for aligning service delivery with demographic trends and anticipated population growth.

Evidence base

The community needs modelling undertaken by .id Consulting provides a consistent evidence base for examining the location of Neighbourhood Houses, the characteristics of their catchments and likely changes in future need. It draws together demographic, socio-economic, housing, employment, education, service access and digital inclusion indicators, together with information on community strengths and assets.

The modelling allows for two related lines of enquiry:

1 how current House locations align with areas of high socio-economic and community need

2 how demographic and community change may affect future demand.

The modelling finds that the network has a substantial presence in disadvantaged communities and in remote areas where access to other services is limited. It also shows that catchment averages can conceal localised disadvantage and that growth, ageing, household change and service availability will affect communities differently.

The modelling compares the existing House catchments. It does not provide an equivalent assessment of every Tasmanian community outside the network. Any assessment of potential new locations would benefit from comparable statewide evidence on need, service availability and access.

The existing network provides a strong foundation, with Houses located in many communities experiencing disadvantage, remoteness or limited service access. Future planning should focus on how the reach and accessibility of this network can respond to changing patterns of need, population and service availability.

Geographic alignment of current Neighbourhood House locations with community need

The network reaches many high-need communities, although the pattern of need varies within and between catchments

The community needs index assesses need across five domains: socio-economic disadvantage; housing pressure; ageing, isolation and support needs; workforce and education vulnerability; and access and digital inclusion. Individual catchment profiles also consider community strengths and assets, including volunteering, workforce capability and local social infrastructure.

This multidimensional approach reflects the different circumstances in which Houses operate. Urban communities may experience low income, unemployment, housing stress and youth disengagement despite being close to formal services. Remote communities may record less pronounced catchment-wide disadvantage but face long travel distances, limited transport and few locally available services. The index therefore provides a relative comparison across the network, rather than a complete measure of individual circumstances or demand experienced by each House.

Observations

The modelling shows that the network has a substantial presence in communities experiencing high levels of need. The highest-need catchments include areas of entrenched urban or township disadvantage and remote communities where socio-economic pressure is compounded by ageing, dispersed settlement or limited access to services.

Starting Point illustrates the 'entrenched urban disadvantage' pattern. Its catchment ranks first among the 38 catchments for socio-economic disadvantage. 57% of residents are in the lowest income quartile, youth

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disengagement is 30%, unemployment is 14% and social housing accounts for 27% of housing. High levels of need are also evident in George Town, Bridgewater, Zeehan and Newnham, where lower incomes and reliance on government payments intersect with housing pressure, unemployment, youth disengagement or employment vulnerability.

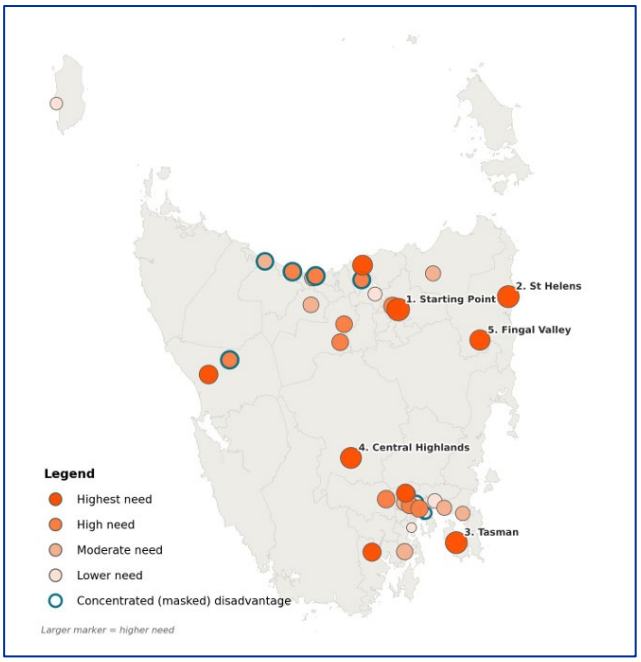
Catchment-wide results do not always reflect local conditions. A disadvantaged neighbourhood may be combined with newer or more advantaged surrounding areas, moderating the overall catchment result. The modelling identifies this issue in East Devonport, Ulverstone, Rosebery, Beaconsfield, Burnie, Risdon Vale, Clarendon Vale and Rokeby.

Rokeby, Clarendon Vale and Risdon Vale illustrate this planning challenge. Each combines established areas of disadvantage with a broader and changing residential profile. Population growth in Rokeby and Risdon Vale is also changing the number and geographic distribution of residents potentially served by the House.

A complete assessment of geographic alignment therefore requires consideration of:

- catchment-wide and smaller-area measures of need
- the location of concentrated disadvantage and population growth
- participant origin and the practical reach of each House
- transport and digital access
- the availability of other services.

Figure 2: Statewide map of House locations by community need tier



Source: .id Consulting Analysis; ABS ASGS Edition 3, 2021, SA2 boundaries

Local accessibility is particularly important where communities face distance and service constraints

Geographic need extends beyond socio-economic disadvantage. In remote and dispersed catchments, long travel distances, limited transport and digital barriers can restrict access to healthcare, education, childcare and other essential services. These conditions increase the importance of a trusted and accessible local point for practical assistance, information, referral and community connection.

Neighbourhood Houses, particularly in rural areas, play an important role in community preparedness, response and recovery during emergencies and periods of community disruption. Roundtable participants described Houses as trusted, locally embedded organisations that remain accessible during crises such as floods, providing practical support, coordinating referrals and helping communities navigate periods of recovery when other services may be absent, delayed or difficult to access.

> *"The Neighbourhood House is a hub for social connection and responds to disasters and emergencies with community supports."*

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.id Consulting Survey Response - Current Neighbourhood House User

Remote and rural catchments

Central Highlands covers a large and sparsely settled area where distance is a defining feature of community life. Tasman has substantially longer travel times to hospitals and secondary schools than the Tasmanian benchmark, with no catchment dwellings located within a 10-minute drive of a hospital or childcare. Rosebery serves dispersed settlements across the West Coast and far North-West, where many mainstream services are distant.

Geeveston demonstrates why socio-economic and access measures need to be considered together. The catchment ranks around the middle of the network on relative disadvantage, but 46% of households are in the lowest income quartile, rental stress is 40% and no dwellings are within a 10-minute drive of a hospital.

Consultation with remote and island Houses supports the modelling findings. Participants described gaps in aged care, family violence and mental health services and reported that distance affects referral pathways, staffing, training and service coverage. This evidence reflects the experiences of the participating Houses and is used to illustrate, rather than generalise, the effects of remoteness.

> *"Being rural, remote and left to our own devices, it is difficult to adjust to changing needs, especially with most services not reaching our district and/or being at capacity themselves."*
>
> ***Survey Response***
>
> *"In my immediate local community, we are dependent on the Neighbourhood House located 20 minutes away. With the cost of transport on the rise, as well as the lack of local public transport there are many people who are isolated."*
>
> ***.id Consulting Survey Response***

Neighbourhood Houses as local infrastructure

- *91% of 84 Tasmanian Government respondents rated Houses as extremely or very important to Tasmania's community wellbeing and social support system. [.id Consulting public survey]*
- *77% of 55 local government respondents rated Houses as extremely or very important to local government community development outcomes. [.id Consulting public survey]*
- *92%, or 227 of the 246 respondents to the KPMG House survey were very or mostly confident that House activities and programs reflected local need.*

Access is not determined by distance alone. Transport, opening hours, awareness, confidence and digital access can also affect whether residents use a House. This is particularly relevant in large or dispersed catchments, where a House may be located within the catchment but remain difficult to reach for some residents.

Houses are particularly important where distance or limited service availability constrains access to other support. Understanding geographic alignment therefore requires consideration of practical service reach, not only the physical location of each House.

Projected future need arising from demographic and community change

The modelling indicates that future demand will develop unevenly across the network. Population growth will increase service volumes in some catchments, while ageing, household change, economic pressure and limited access to other services will have a greater influence elsewhere. Population stability or decline does not necessarily indicate lower need, particularly where communities are ageing or the local workforce, volunteer base and service system are becoming smaller.

Population and household change will affect the scale and mix of demand

Population growth is concentrated in selected urban and peri-urban catchments, particularly in Greater Hobart and surrounding areas. Where growth occurs alongside established disadvantage or housing pressure, Houses may face both a larger population and continuing complexity of need.

Starting Point is a young and growing catchment with high socio-economic disadvantage, youth disengagement, unemployment, social housing and rental stress. Gagebrook also combines population growth with housing pressure: rental stress is 41% compared with 34% for Tasmania, while social housing represents 14% of housing compared with 5.2% statewide. Rokeby, Risdon Vale and Clarendon Vale combine residential growth with

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established or concentrated disadvantage, increasing the importance of service reach into both existing communities and new developments.

Consultation with a House illustrates how growth and household cost pressures can affect demand. The participating manager described increased use of food and practical assistance, alongside greater demand for referrals, community connection and general support.

> *"The people that normally would be supporting us, we're now supporting them."*
>
> ***House Manager***

Ageing will change demand in other parts of the network. This is most evident in coastal, rural and remote catchments, although some growing communities are also ageing. The implications are strongest where ageing intersects with living alone, lower income, reduced mobility or limited access to services.

Geeveston illustrates this combined pattern. Its population is forecast to grow from 4,408 in 2025 to 4,754 in 2045. Over the same period, the population aged 65 and over is forecast to increase from 1,252 to 1,478, while the population aged 80 and over more than doubles from 226 to 538. The working-age population is expected to remain broadly stable. Lone-person households already account for around 29% of households and are forecast to increase. Taken together, these factors may increase demand for:

- social connection and community participation
- family and practical support
- digital assistance
- transport coordination
- health and wellbeing activities
- information, referral and service navigation.

These changes may also affect local capacity. In smaller communities, ageing or population decline can reduce the available workforce, volunteer pool and base of people able to contribute to local organisations. Population direction alone does not indicate future demand. Planning also needs to consider age structure, household composition, disadvantage and the capacity available within the community.

Economic pressure and service gaps will increase the breadth and intensity of demand for support

Housing affordability and household costs are likely to remain significant drivers of demand. These pressures affect communities with established disadvantage and can also bring residents who have not previously sought support into contact with a House.

Gagebrook combines above-state rental stress, a substantial social housing presence and a young, growing population. Starting Point combines low income, reliance on government payments, unemployment, social housing and rental stress. These conditions occur alongside youth disengagement and lower education outcomes, increasing the range of support that may be in demand.

Geeveston demonstrates that housing pressure can also be present in catchments that do not rank among the most disadvantaged. 46% of households are in the lowest income quartile and government benefits are the main source of income for around one-third of all residents. Rental stress is experienced by 40% of renting households, compared with 34% across Tasmania, despite private rental and social housing accounting for relatively small shares of the local housing market.

Consultation indicates that practical assistance can create a pathway to broader support. One House reported that its low-cost food hub brought more people into contact with the House. While this reduced demand for direct food relief, staff identified other needs during these visits, increasing demand for referrals, community connection and general assistance.

The availability of surrounding services also affects the intensity of House demand. Where health, mental health, family support, housing or transport services are absent, distant or difficult to access, Houses may become the first local point of contact. This is particularly relevant in remote and dispersed communities, where referral pathways can involve substantial travel or extended waiting periods.

Participants in the consultations described residents seeking assistance with aged care, family violence and mental health because specialist services were not readily available. A House Manager emphasised the value of a local and trusted place where residents could seek immediate assistance.

> *"The biggest thing was that we were here, on the ground in their community."*

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House Manager

Service gaps affect workload as well as service volume. A person may need immediate assistance, several referrals or continued support while waiting to access another service. Contact numbers alone may therefore understate the time and complexity associated with these presentations.

A uniform response would not reflect these differences. Future planning requires current evidence on the type of change occurring in each catchment, the practical reach and capacity of the House, and the availability of surrounding services.

Key findings

- **The current Neighbourhood House network is strongly aligned with many of Tasmania's communities experiencing disadvantage, remoteness and limited access to services.** However, community need is not evenly distributed within catchments, and geographic accessibility cannot be assessed by House location alone.
- **Future demand is likely to develop unevenly across the network as population growth, ageing, housing pressure and changing service availability affect communities in different ways.** A single statewide response is unlikely to reflect these differing patterns of need, highlighting the importance of place-based planning and resource allocation.
- **Community needs modelling provides a strong evidence base for future decisions about network reach, accessibility and investment.** Maintaining a regular evidence and review cycle will help ensure services and funding remain aligned with changing community needs, demographic trends and local operating conditions.

Recommendations

Recommendation 18: Use community needs modelling as an evidence base to guide the future network footprint

Community needs modelling should be employed by government as a primary evidence base for future decisions about the location, reach and accessibility of the Neighbourhood House network, supplemented by House-level data, consultation with Houses, community engagement and information on the availability of other local services.

The current network provides a strong foundation, with Houses located in many communities experiencing high socio-economic need and in remote areas where access to other services is constrained. Future planning can build on this footprint by identifying where access remains limited or where the distribution of need within a catchment has changed.

Responses to identified gaps may include outreach, visiting or mobile services, partnership delivery, transport assistance or digital support. New locations would require evidence of sustained need, an identifiable service gap, sufficient demand and a viable operating model.

The community needs modelling should inform, rather than determine, investment decisions. Local evidence remains important where disadvantage is concentrated, settlement is dispersed or demand is not fully captured in population data.

Recommendation 19: Maintain a regular evidence cycle to inform service planning and funding decisions

The Tasmanian Government should establish a regular monitoring and evaluation cycle to keep the evidence current and inform place-based service and funding decisions.

The community needs modelling provides a baseline for future planning. Periodic updates could leverage existing public datasets, House reporting and local evidence to identify material changes in population, demographic composition, housing pressure, service access and House demand. Reporting would focus on emerging patterns and catchments needing closer review rather than repeat the full needs analysis.

DPAC could establish measurable review triggers, including significant population or demographic change, increased housing pressure, loss of a local service, sustained access constraints or a material change in the volume or complexity of House demand. Houses would receive relevant findings and have an opportunity to add local context or identify recent changes not yet reflected in the data.

A trigger would commence a review rather than result automatically in additional funding or a prescribed service response. The review would consider the nature of the change, the capacity and reach of the House, surrounding

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services and available delivery options. Any resulting adjustment to service or funding arrangements would include clear reasons, appropriate transition arrangements and consideration of impacts on neighbouring Houses and services.

Additional information requested from Houses would be limited to evidence with a clear planning, funding or accountability purpose.

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7 Governance and Role of Peak Body

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Purpose of this chapter

This chapter examines the governance arrangements that support the Neighbourhood House network, including the respective roles of DPAC, NHT, House Boards, and House Managers. It assesses the effectiveness of current governance structures, identifies areas where roles, responsibilities and accountability could be clarified, and considers opportunities to strengthen governance capability across the network.

This chapter also addresses the following focus areas from DPAC's needs analysis specification:

- Clarified governance framework outlining roles, responsibilities and accountability mechanisms.
- Assessment of the success of previous governance review implementation, identifying gaps and areas for improvement.
- Recommendations for strengthening NHT's role as peak body, including clarification of the distinction between peak-body and membership functions.
- Recommendations for initiatives that build governance capacity of the network, including strategic and operational leadership.

Local governance and community ownership remain important features of the Neighbourhood House model. The opportunity is to strengthen how the distributed system operates through clearer responsibilities, decision rights, escalation pathways and access to practical governance support across the network.

Neighbourhood Houses Tasmania

Neighbourhood Houses Tasmania provides an established statewide platform through which Houses can engage collectively, share knowledge and represent common interests. Its grant-funded purpose includes representing the interests of member Houses and contributing to improved standards in community development practice, governance, community engagement, skills and training. Since a governance review was undertaken in 2022, NHT has evolved from a more loosely organised representative body towards a formal strategic peak body with a skills-based board and a stronger focus on sector-wide advocacy and strategy.

NHT undertakes a range of activities that support individual Houses and the broader network. These include:

- advocating on issues affecting Houses and communicating sector experience to government and other stakeholders
- convening conferences, regional meetings, leadership forums and other opportunities for peer connection and shared learning
- providing professional learning, communications and resources to strengthen sector capability
- responding to day-to-day enquiries from House Managers across areas including governance, workforce, safety and insurance
- providing or facilitating access to policy, governance and professional expertise
- supporting proactive governance development as well as responding where Houses encounter immediate governance issues
- using collective purchasing power and sector-level arrangements to facilitate access to services such as insurance and human resources support
- helping Houses establish connections with government, community, philanthropic and other external partners.

These functions have practical value in a network comprising independently governed organisations with varying levels of local capability and access to specialist expertise. NHT provides a mechanism for issues experienced by individual Houses to be identified as broader network matters, for information and resources to be shared, and for Houses to learn from one another rather than addressing every issue independently. Its relationships across the sector also place it in a useful position to identify emerging pressures and communicate these to government.

House Survey findings indicate broad support for a continuing peak-body role. Advocacy and representation was selected as an appropriate future role for NHT by 170 of 246 total respondents, or 69%. Coordination and connection across Houses was selected by 142 of the total respondents, or 58%, and governance support and capability uplift by 136 of the total respondents, or 55%. Among the 34 House Manager and Coordinator respondents, the corresponding results were 83.3%, 52.8% and 63.9%. These results support a role focused on advocacy, network coordination and capability development.

NHT has also contributed to the sector's response to its changing operating environment. Consultation material demonstrates that it has raised concerns about workforce sustainability, safety, governance demands, volunteer

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capacity and the increasing complexity of community need. It has advocated for a stronger evidence base to support future policy and funding decisions and has contributed sector knowledge and documentation to this needs analysis.

NHT's ability to deliver these functions should be assessed against its funded mandate, staffing and available resources. Expectations of an expanded network-wide support role should not be assumed to be achievable within existing capacity.

The findings and recommendations that follow should therefore be understood as opportunities to build on an existing platform, rather than as a conclusion that NHT's activities lack value. NHT already performs important advocacy, connection, capability-building and support functions. The principal issue is that its mandate, priorities and accountabilities are not yet sufficiently clear or consistently understood across NHT, Houses and government, particularly regarding:

- the distinction between peak-body, network-wide, membership and optional services
- the level of operational support individual Houses should expect
- the respective responsibilities of NHT, House Boards and government when governance or operational issues arise
- how NHT's available capacity should be prioritised across strategic advocacy, sector development and support to individual Houses.

Clarifying these matters would allow NHT's existing strengths to be used more deliberately and would provide a stronger foundation for any expanded network-wide role arising from this needs analysis. It would also support more transparent expectations and enable government, NHT and Houses to assess whether NHT's mandate and available resources are aligned.

Notwithstanding these contributions, consultation identified that NHT's role is not consistently understood across the network. This appears to reflect not only how NHT performs its role, but also the breadth of expectations placed on a relatively small peak body, the independent governance of each House, the distinction between members and non-members, and the absence of a sufficiently clear agreement between NHT, Houses and government about their respective responsibilities. The following findings should therefore be read as matters needing greater clarity and alignment across the system, rather than as issues attributable solely to NHT.

Current and target governance framework

The Neighbourhood House network operates through a distributed governance model in which individual Houses retain responsibility for their own governance and operations, DPAC funds and stewards Neighbourhood Houses, and NHT provides peak-body and membership functions. This structure supports local decision-making and allows Houses to respond to the circumstances of their communities. The structure also depends on clear boundaries between government oversight, peak-body support, board governance and operational management.

Each House is governed through its own incorporated entity, constitution and Board or Committee of Management. The local governing body remains responsible for the House's legal, financial and organisational obligations, including oversight of its House Manager or Coordinator. NHT provides sector leadership and support but does not hold governing authority over individual Houses. DPAC's direct authority is principally exercised through funding agreements and associated accountability requirements, and DPAC does not have a role in the day-to-day governance, management or administration of Houses.

Government also has a program-stewardship interest in whether funded activities remain accessible to the communities they are intended to support, particularly where a disruption may leave people experiencing disadvantage without a practical source of local support. Although this interest primarily relates to governance and oversight of the Neighbourhood House Program, rather than individual Houses (which are independent entities over which Government does not have any governance authority, other than to alter or cancel funding agreements), it can result in a perception that it is the role of Government to resolve issues, conflicts or disputes that Houses are unable (or unwilling) to address themselves.

The current framework is understood in broad terms, but the allocation of responsibilities is not consistently documented or applied across the network. In the House survey, 117 (48%) of the 246 total respondents considered the role of government *somewhat unclear* or *not clear*, increasing to 64% among the 34 House Manager and Coordinator responses. 30%, or 73 of total survey respondents, considered NHT's role *somewhat unclear* or *not clear.* Evidence gathered from House managers and governors highlighted uncertainty about operational and governance boundaries, the role of NHT, the circumstances in which DPAC should become involved, and the appropriate pathway when an internal governance issue cannot be resolved.

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The absence of a current, shared program-level governance document contributes to this uncertainty. The previous *Neighbourhood House Program Strategic Framework 2018-2023 part 1, and 2019-2023 Part 2* provided a reference point for relationships and responsibilities, but consultation participants described that framework as out of date. NHT also identified renewal of the Strategic Framework as necessary to reflect the current program context and clarify the roles of DPAC, NHT and Houses.

The target governance framework could operate as a connected set of five layers, with each layer performing a distinct role while supporting accountability across the broader system:

- **Program governance**, led by DPAC through program stewardship and funding agreements. It provides oversight of the Neighbourhood House Program as a publicly funded initiative. This layer encompasses DPAC's stewardship of the Program, administration of funding agreements, communication of program requirements and monitoring of funded obligations and material program risks. It also includes consideration of continuity and equitable access where the loss or material disruption of a funded House could leave a community, particularly people experiencing disadvantage, without an accessible source of local support.
- **Sector governance and coordination**, supported by NHT through its peak-body functions. It connects Houses around shared priorities and sector-wide issues. This layer encompasses NHT's peak-body functions, including advocacy, coordination, information sharing, consultation and governance capability support, without creating authority over independently governed Houses.
- **Organisational governance**, exercised independently by each House Board. This layer encompasses responsibility for the House's strategic direction, legal compliance, financial sustainability, employment arrangements, risk oversight and organisational performance. Importantly, governance of individual Houses should remain independent of government.
- **Operational management**, led by each House Manager or Coordinator within delegated authority, working within the strategy, policies, budget and authority approved by the board. This layer encompasses day-to-day delivery, workforce and volunteer management, partnerships, administration and escalation of matters needing governance consideration.
- **Community accountability**, maintained through local participation, responsiveness and connection to community need. It provides the foundation for the other layers. This layer is maintained through local participation, accessible engagement, responsiveness to changing community needs and clear links between identified need, organisational priorities and the activities delivered by each House.

This distinction is important because accountability operates differently at each level. DPAC is accountable for the stewardship of public funding and the administration of the Program, including monitoring whether funded obligations are being met and responding to material risks affecting program continuity or community access. NHT is accountable for the functions it is funded and authorised to perform. House Boards are accountable for their incorporated organisations. Managers are accountable to their boards for operations within their delegated authority. Staff and volunteers are accountable through the policies, procedures, supervision and role requirements established by each House.

Stewardship does not transfer responsibility for local governance from a House Board to DPAC. It does, however, require consideration of the broader program consequences where local governance, financial or operational difficulties may materially interrupt access to funded community support.

The layered framework preserves the independence and local character of individual Houses while clarifying how program stewardship, sector coordination, organisational governance, operational leadership and community voice work together. Clear boundaries and connections between the layers would reduce duplication, strengthen escalation pathways and support more consistent accountability across the network.

Roles and responsibilities

Program stewardship

DPAC holds the principal government stewardship role for the Neighbourhood House Program through its administration of core and other program funding provided to individual Houses and NHT. This includes establishing funding conditions, communicating program requirements, receiving reports and monitoring delivery against funded obligations.

DPAC's stewardship role does not extend to managing or intervening in the day-to-day affairs of independently incorporated Houses, and is limited to intervening when Houses are not delivering the requirements of grant deeds (where DPAC's ability to respond is largely limited to amending or ceasing funding). This limitation means that

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DPAC cannot be treated as an alternative governing body when a House Board is unable to resolve an internal organisational matter.

DPAC nevertheless retains a legitimate interest in matters that may affect the use of public funding, compliance with grant conditions, continuity of funded activities, material program risk or community access to support. A local governance issue may therefore become a program-level matter where its consequences extend beyond the internal affairs of the incorporated organisation. Clear thresholds are necessary to distinguish a local governance matter from a funding or program matter needing departmental attention. Current evidence does not establish a sufficiently clear or consistently understood threshold for this distinction.

Relevant thresholds for consideration could include:

- a material or continuing failure to meet funded obligations
- a risk to the appropriate use of public funding
- a significant risk to the continuity of funded activities
- a material safety, legal or regulatory issue affecting funded delivery
- a reasonable likelihood that a community, particularly people experiencing disadvantage, will lose access to important local support without an alternative arrangement.

The significance of the issue, the likely duration of disruption, the communities affected and the availability of alternative services would inform whether departmental involvement is warranted. DPAC's response may involve clarification of funding obligations, support for continuity planning, referral to an appropriate authority or consideration of alternative program arrangements. It would not ordinarily involve assuming the governance or day-to-day management responsibilities of the House Board.

Clearer thresholds would help distinguish:

- local governance matters for the House Board
- matters where governance support, mediation or advice may assist (including from NHT)
- funding or program matters needing DPAC attention.

Reporting is generally manageable, but cumulative requirements and usefulness remain concerns

Grant deeds and associated reporting provide DPAC with information on funded activities, expenditure and organisational compliance. Records reviewed include annual organisation reports and core activity reports linked to defined reporting periods and service delivery measures. The annual reporting process also allows organisations with multiple DPAC grants to provide common organisational information once, with subsequent reports focused on grant-specific information.

Reporting is considered manageable by many respondents, although the experience differs by role. Across all 246 KPMG survey respondents, 43% rated reporting as *very* or *mostly manageable* and 25% rated it *somewhat manageable*. Among 34 House Manager and Coordinator respondents, 31% rated reporting as *very* or *mostly* manageable, 42% as *somewhat manageable* and 19% as *not manageable*.

Reporting arrangements would benefit from a continued focus on information that:

- has a clear accountability or program purpose
- is not already collected through another process
- is proportionate to the funding and risk involved
- supports grant oversight, evaluation or service improvement
- provides visibility of material risks to service continuity and community access.

A more explicit feedback loop would also help Houses understand how reported information is used in program oversight, funding decisions and service improvement. This would preserve accountability for public funding while reducing duplication and improving the value of reporting to government and the network.

Communication and escalation

Effective stewardship also depends on clear communication between DPAC, NHT and individual Houses. Consultation identified a need for greater clarity about who Houses contact for funding, governance and operational matters, and how submitted information informs program decisions and feedback to the network.

Escalation arrangements could distinguish between four types of matters:

- local operational matters, managed by the House Manager within delegated authority

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- organisational governance matters, managed by the House Board
- governance capability or relationship matters, where NHT, mediation, specialist advice or independent assistance may support resolution
- funding, program continuity or community-access matters, where funded obligations, use of public funding, continuity of activities or the potential loss of important local support need DPAC consideration.

This distinction would provide a clearer pathway for raising and resolving issues while retaining the responsibilities of independently governed Houses.

Potential future state role of DPAC

DPAC is responsible for stewardship of the Neighbourhood House Program, administration of government funding, communication of program and funding requirements, and monitoring of funded obligations. DPAC may respond where grant compliance, use of public funding, continuity of funded activities or material community access is at risk. Individual House Boards remain responsible for organisational governance and day-to-day operations.

> *"The reporting isn't overly burdensome. It is more that there is no meaningful feedback. The numbers don't capture what actually happens here."*
>
> ***House Manager***

NHT provides valued network leadership and capability support, although experience and understanding of its role vary across the network

NHT provides sector leadership, advocacy, coordination, information sharing and capability support to the Neighbourhood House network. NHT supports individual Houses but does not govern them, assess their performance or assume the legal and fiduciary responsibilities of their boards.

NHT's documented activities include advocacy, policy development, information sharing, regional consultation, governance resources, leadership forums, training and practical support. Its current engagement arrangements include formal regional consultations, leadership forums, chair forums, a statewide conference and regular sector communications.

NHT reported a workforce of six employees, comprising two full-time and four part-time staff (approximately 4.95 FTE), in its *2024-25 Annual Organisation Report*. The report indicates that this team supports a broad range of functions across advocacy, governance, member engagement, disaster resilience, child and youth safety, health and wellbeing, training, and practical support for the Network. During 2024-25, NHT delivered 16 training and development sessions, nine regional consultation meetings, nine networking activities, a statewide conference, regular sector communications, and responded to more than 72 governance-related enquiries. It also delivered several grant-funded strategic projects.

NHT reported total grant income of approximately $1.09 million in 2024-25, comprising both core and project-based funding. This included a $400,000 governance grant over the grant term, alongside other funding arrangements. Given the breadth of NHT's existing responsibilities and funding mix, any expansion of its Network-wide role would benefit from careful consideration of the additional staffing capacity, specialist expertise and sustainable funding needed to support new functions.

The House survey indicates that many respondents value NHT's existing functions, although the survey did not ask for an overall satisfaction rating. Communication and updates were identified as valued support by 54% of the 246 total respondents, advocacy and representation by 45%, and network coordination and peer connection by 37%. Among the 34 House Manager and Coordinator respondents, the corresponding results were 72%, 75% and 61%. 8% of all respondents selected that no support was provided by NHT.

Consultation identified examples where these functions add value. A House Manager described NHT adapting governance training to the circumstances and capability of the local board. The participant considered this informal and tailored approach more suitable than a standard full-day governance course.

> *"The training needs to be really casual and really informal. There's no way I could send my board to an eight-hour governance course. It would just be too much."*
>
> ***House Manager***

However, stakeholder experience is not uniform. In the KPMG House survey, 64% of total respondents considered NHT's role *very* or *mostly clear*, while 30% considered it *somewhat unclear* or *not clear*. Among the 34 House Manager and Coordinator respondents, 75% considered the role *very* or *mostly clear* and 22% considered it *somewhat unclear* or *not clear*.

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During targeted consultation, concerns raised by non-member Houses included the effectiveness of advocacy, the extent of engagement with individual Houses, transparency, governance support and the handling of complaints. These views were provided by the participating non-member Houses and do not represent the network as a whole.

The evidence supports a continuing peak body role focused on functions that benefit the network collectively, together with clear engagement and accountability arrangements. It also indicates a need for NHT to demonstrate how House perspectives inform advocacy, priorities and sector development.

> *"Whenever I've got a problem, I pick up the phone. NHT has always been there for me. I know they have their own pressures, and I think they're doing what they can."*
>
> ***House Manager***
>
> *"For us, it is about being transparent, accountable and really open. We need open consultation about what the priorities should be, because those priorities change over time."*
>
> ***House Manager***

The distinction between peak-body and membership functions requires clarification

NHT's current funding instrument states that *"for the purpose of enabling [NHT] to operate as a peak body, representing the interests of its member Neighbourhood Houses – in addition to working to raise the standards of community development practice, governance, community engagement, and the skills and training of its members."* The wording reflects the earlier funding environment in which all funded Houses were required to be members of NHT.

In the recent past, membership of NHT was a prerequisite for Houses seeking funding from DPAC. This created a unitary system in which DPAC, the peak body, and individual Houses were structurally bound together. The membership requirement was removed as part of an independent review of governance of the network in 2022. The removal of mandatory membership changed the relationship between the funded network and NHT, but the wording of NHT's funding instrument was not adjusted to reflect this change.

Continued use of the term "member" in the funding instrument creates competing interpretations of NHT's mandate. DPAC expects NHT to undertake peak-body functions that support the broader network. Non-member Houses also expect access to information, advocacy and sector-level activities that affect all funded Houses. NHT's current funding instrument, however, frames aspects of its role by reference to members. This creates uncertainty about whether providing some functions to non-member Houses sits within NHT's funded mandate and whether NHT is resourced to provide those functions across the entire network.

Being a member of NHT today is optional, and individual Neighbourhood House Boards can (and do) choose not to maintain membership. This is consistent with the broader community sector in Tasmania and the generally recognised nature of a peak body, which is expected to represent a majority, but not necessarily all, eligible organisations.

Reasons for this form of disaffiliation were cited by a small minority of Houses during consultation for this report, and include:

- that NHT was not meeting expectations of a peak body, in both its actions and the professionalism of its operation
- that NHT was not adequately representing the House Board's priorities in its advocacy and lobbying activities
- that NHT does not have close enough contact with individual Houses to understand and respond to the issues experienced in communities
- a perceived lack of accountability and transparency.

The net result of this disaffiliation is an undefined two-tier system, in which member Houses receive all of the benefits and services offered by NHT, while a smaller group of non-member Houses receive some benefits by virtue of being a recognised Neighbourhood House, but not others.

A peak body may undertake government-funded advocacy, representation, coordination, research and capability functions for a wider sector, while maintaining a membership structure through which participating organisations exercise voting rights and receive additional benefits. The relevant question is therefore not whether every House must be an NHT member. The issue is which functions government funds NHT to provide across the network and which functions arise from voluntary membership.

KPMG's House Survey evidence supports a continuing network-level role for NHT. Advocacy and representation was identified as an appropriate future role by 70% of the 246 total respondents, coordination and connection

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across Houses by 58%, and governance support and capability uplift by 56%. Among the 34 House Manager and Coordinator respondents, advocacy and representation was selected by 83%, and governance support and capability uplift by 64%. At the same time, 30% of total respondents considered NHT's role *somewhat unclear* or *not clear*, indicating that clarification is warranted without suggesting that dissatisfaction is shared across the network.

Representatives of non-member Houses expressed strong beliefs that NHT information and activities that materially affect the network as a whole should be available to all Houses regardless of membership status. Conflict arises from there being no clear or documented understanding of what is and is not in scope for non-members.

> *"Anything that affects all of the network, whether it is lobbying for additional funding, information that affects every House or contractual announcements, should go to every funded Neighbourhood House. Membership should sit alongside that."*
>
> *"They are the peak of Neighbourhood Houses in Tasmania, not the peak of members. There needs to be a core expectation of what the peak body delivers."*
>
> ***House Manager***

NHT's revenue from membership fees is not a material income stream and does not offset the cost of delivering specific services to its members. Instead, NHT is funded by DPAC from the same ultimate budget envelope that funds individual Houses.

A clearer operating framework would distinguish:

- network-wide peak-body functions, such as sector representation, advocacy, information sharing, strategic consultation, and general capability development
- membership services, shaped and accessed through NHT's membership arrangements
- optional or commissioned services, offered under transparent eligibility, funding, and access arrangements.

DPAC should determine the network-wide functions supported through government funding. NHT should determine its membership rights and benefits through its constitutional and membership arrangements. The revised funding instrument should remove or clarify historic references to "members" where DPAC intends the funded function to benefit the broader network.

Potential future state role of NHT

NHT is responsible for sector advocacy, coordination, information sharing, capability development and other peak-body functions agreed through its funding and governance arrangements. It may also provide clearly identified membership services. NHT supports but does not govern individual Houses, regulate House performance or assume the legal and fiduciary responsibilities of House Boards. Network-wide, membership and optional functions are clearly defined, including who may access them and how they are funded.

House Boards and Committees of Management

Governing responsibilities

Each House Board is responsible for the governance, strategic direction, financial sustainability, and organisational oversight of its independently incorporated House.

Local governance remains an important feature of the Neighbourhood House model because it connects organisational decisions with the community served by each House. Consultation identified mixed views on whether governance should remain local or be consolidated; some participants saw potential to access broader capability, while others considered that local boards were important to community ownership, responsiveness, and identity. Options for a future model are outlined later in this chapter.

The current structure also requires the network to maintain multiple volunteer governing bodies, each responsible for legal compliance, employment, financial oversight, workplace safety, and organisational risk. Where board roles or responsibilities are not well understood, individual board members may not fully appreciate the accountability associated with governing an incorporated organisation. Limited recruitment pools may also increase reliance on a small number of community members and create a greater likelihood of burnout and other workload pressures, as well as a greater risk of actual or perceived conflicts of interest in the operations of Houses.

Strategic oversight and the board-manager relationship

Effective governance requires the board to set direction and oversee material organisational matters, while the House Manager leads day-to-day operations within agreed authority.

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Consultation identified variation in how this distinction is understood and applied. In some Houses, responsibilities were described as clear and supported by effective working relationships. In others, participants reported that boards became involved in operational decisions or that managers took on governance tasks where board capability was limited.

Regional roundtables identified board-manager role clarity as a continuing issue. Participants reported that some boards did not clearly understand the distinction between governance and operations, and that managers sometimes stepped into governance-related work to maintain organisational functions.

> *"I do more than I should to minimise what my board has to do so that I have a board. I've done that for probably 17 years."*
>
> ***House Manager***

This variation can place pressure on both parties. Excessive board involvement may limit the manager's authority, while limited board oversight may leave the manager carrying responsibilities that need collective governance decisions.

Employment, financial and risk oversight

Boards retain responsibility for oversight of the manager, organisational finances, and material risks, even where day-to-day responsibilities are delegated.

Board members retain responsibility for exercising appropriate oversight and managing conflicts of interest within the governance arrangements applying to their organisation. A lack of clarity about these responsibilities can create risks for the House and its board members where financial, employment, safety or compliance matters are not identified, escalated or addressed appropriately. Delegating work to a manager does not transfer the board's ultimate accountability for governance decisions.

Consultation indicates that some Houses have documented policies, delegations, and established processes, while arrangements are less developed or less consistently applied elsewhere. One House participant emphasised that changes in board or management capability can materially affect how a House operates and responds to its community.

> *"A Neighbourhood House is only as good as its manager or its board. If either changes, the organisation can become very different. What happens when the community changes or the leadership changes?"*
>
> ***House Manager***

The evidence supports practical clarification of:

- matters reserved for board decision
- authority delegated to the manager
- financial and operational approval limits
- information the manager provides to the board
- matters needing escalation.

The objective is consistent accountability without prescribing identical governance arrangements for every House.

Board capability and composition

Boards need access to the skills, information, and support needed to fulfil their responsibilities.

Board recruitment and capability vary considerably across the network. Consultation with remote and island Houses found that smaller communities draw from limited pools of potential board members, with the same residents often contributing to several local organisations. Participants reported difficulty recruiting people with financial, human resources or governance experience and described managers taking on additional work to keep governance processes functioning.

The KPMG House survey supports this finding. Board recruitment, skills and turnover were identified as a challenge by 41% of the 246 total respondents, including 61% of the 34 House Manager and Coordinator respondents and 56% of the 16 Board Chair respondents. Access to expert advice or mentoring was identified as a useful board support by 47% of total respondents, while 42% identified additional board training. Among the 16 Board Chairs, these results increased to 81% and 69% respectively.

The roundtable identified similar concerns, including difficulty recruiting board members, uneven understanding of governance responsibilities and continuing gaps in governance training.

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These findings support a flexible capability approach combining practical induction, concise resources, tailored training, peer support and access to specialist advice. Conflict of interest guidance and succession support should form part of this approach. This would recognise local recruitment conditions while retaining the core responsibilities of each board.

Potential future state role of House Boards

Each House Board is responsible for the governance, legal compliance, financial sustainability, strategic direction and organisational oversight of its House. The board employs and oversees the manager, approves the principal governance settings and monitors organisational performance. Delegation of tasks does not transfer the board's ultimate accountability for the organisation.

House Managers and Coordinators

Operational leadership

The House Manager or Coordinator leads the day-to-day operation of the House within the strategy, policies, budget and authority approved by the board.

The role commonly brings together community engagement, program delivery, workforce and volunteer management, partnerships, administration, financial management, and reporting. The breadth of these responsibilities varies across Houses according to organisational size, staffing, local need, and the availability of other services.

Consultation indicates that the effectiveness of the House can depend heavily on the capability and continuity of both the manager and board. A House participant observed that a change in either could materially alter the activities delivered and the organisation's capacity to respond to changing community needs.

This reinforces the importance of documented delegations and organisational systems that remain effective through changes in leadership.

> *"A Neighbourhood House is only as good as its manager or its board. If a new manager came in, they might say they do not have time for some of the things we currently do. The organisation could operate very differently."*
>
> ***House Manager***

Advice and accountability to the board

Managers provide the board with information and advice to make informed governance decisions.

Consultation suggests that managers can carry substantial responsibility for supporting board processes, particularly where board members have limited governance experience. In remote communities, participants described managers assisting with policies and other governance work because specialist expertise was not readily available locally.

This support can be necessary, but it can also blur accountability if the manager is effectively developing, recommending and overseeing the same governance decisions. Clear board papers, delegations, reporting expectations and access to independent advice would reduce reliance on informal arrangements.

> *"If I send out a policy and ask someone to look at it, there are only one or two people on the board with the background to assist. I do a lot of the work that I probably should not be doing board-wise."*
>
> ***House Manager***

Governance and operational boundaries

Clear boundaries allow managers to act within their delegated authority while ensuring that material governance matters are referred to the board.

The evidence indicates that this boundary is not applied consistently across the network. The North regional roundtable heard that boards sometimes become involved in operational matters, while managers may take on governance responsibilities where board capability is limited.

A practical framework would identify:

- decisions the manager can make within the approved budget and policies
- matters needing consultation with the Chair
- decisions reserved for the full board

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- urgent matters that need immediate escalation.

This would support timely operational decisions while preserving collective board accountability.

> *"Some amazing things came from managers having a space of their own. We could talk about how we worked, where the gaps were and what knowledge or training we needed."*
>
> ***House Manager***

Potential future state role of House Managers

The House Manager or Coordinator is responsible for operational leadership within the authority delegated by the board. The manager implements board decisions, manages staff and volunteers, oversees day-to-day delivery, maintains organisational systems and provides the board with information for governance oversight. The manager escalates matters that exceed delegated authority or need a governance decision.

Accountability mechanisms

Documented delegations

Delegations are the principal mechanism for converting governance responsibilities into clear decision rights. Each House should maintain delegations covering financial approvals, employment decisions, contracts, procurement, policy exceptions, incident response, external statements, and other material commitments.

Delegations should identify the decision-maker, any financial or risk threshold, consultation requirements, reporting obligations, and circumstances needing escalation. Delegations should be approved by the board and reviewed periodically or following material organisational change.

Reserved matters

Reserved matters should specify decisions that remain with the board. These matters should ordinarily include strategic plans, annual budgets, audited financial statements, employment and performance oversight of the manager, material contracts, borrowing, major asset decisions, constitutional matters, significant policy changes, and acceptance of risks outside approved settings.

Reserved matters protect accountability by preventing significant governance decisions from being made through informal or implied authority. Reserved matters also support managers by making clear when board approval is necessary.

Board reporting

Regular board reporting should provide a proportionate view of finances, operations, workforce, risk, compliance, and community activity. Reporting should focus on matters needing oversight or decision and should not need the board to recreate operational management.

Board minutes should record decisions, declared conflicts, significant matters considered and actions assigned. Minutes need not reproduce every discussion, but they should provide a defensible record of how the governing body exercised its responsibilities.

Performance monitoring

Organisational performance should be monitored against the House's strategic priorities, funded obligations, budget, and material risk settings. Manager performance should be considered separately from organisational performance and managed through an agreed employment process.

NHT performance should be assessed against its funded peak-body functions and organisational commitments. DPAC performance should be considered through government accountability arrangements and the administration of the program. A future governance framework should avoid holding one party responsible for outcomes that depend on another party's authority or resources.

Conflicts of interest

Conflicts of interest should be declared, recorded, and managed by the relevant governing body. Small communities may make conflicts more common because board members, staff, volunteers, service providers and community members may have overlapping relationships. The existence of a conflict does not necessarily make participation inappropriate, but the response should be transparent and proportionate.

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Complaints and disputes

Complaints should initially be directed to the organisation with authority to address the subject matter. Operational complaints should ordinarily be addressed through the manager. Complaints about the manager should ordinarily be addressed through the Chair or authorised board process. Complaints about board conduct should be addressed through the House's constitution, code of conduct or dispute procedure. Complaints about NHT should be addressed through NHT's governance and complaints arrangements. Funding or grant-compliance concerns should be referred to DPAC where they fall within DPAC's authority.

Independent assistance should be available where the relevant organisation cannot fairly manage the matter or where the issue involves multiple parties. Targeted consultation with non-member Houses included reports of unresolved complaints and uncertainty about follow-up responsibilities. These reports represent participant accounts and need validation before being presented as established failures of a particular organisation.

Escalation pathway

Local escalation processes exist in parts of the network, but there is no consistently understood pathway for matters that extend beyond the authority or capability of an individual House.

Some Houses have documented processes that move matters from operational resolution through to the House Manager, chair, or board, with external referral where necessary. The evidence indicates less clarity where a matter cannot be resolved within a House or involves the roles of NHT and DPAC. Participants in targeted discussion with Houses outside of NHT membership described complaints they considered unresolved or unacknowledged and reported that external support previously discussed had not been offered or communicated.

The future governance framework should provide a staged escalation pathway while preserving local responsibility:

Escalation and response pathway

Matter	Response
Local operational matters	Resolution through the manager or relevant supervisor.
Local governance matters	Consideration by the Chair or House Board.
Unresolved or sensitive matters	Independent advice, mediation or facilitated resolution procured or coordinated one level above where the matter arose.
Capability support	NHT assistance or referral where this falls within its agreed role and does not create a conflict.
Funding or grant deed matters	DPAC consideration where funded obligations, public funding or continuity of funded activities are affected.
Statutory matters	Referral to the appropriate external authority where a matter falls under employment, safety, incorporated association, criminal or other statutory jurisdiction.

This proposed framework is informed by documented House processes and consultation evidence. Detailed thresholds, responsibilities and referral bodies would need to be agreed by DPAC, NHT, and Houses then reviewed for legal accuracy.

Role clarity and application

Role clarity is strongest where responsibilities, delegations, and escalation processes are documented, understood, applied consistently, and reinforced through regular communication. Some Houses have documented delegations, escalation processes and a clear distinction between board governance, operational management and peak-body support. Elsewhere, responsibilities rely more heavily on informal practice and personal relationships. A shared framework would establish minimum role boundaries while allowing for differences in House size, structure, and local context.

Role clarity is weaker where responsibilities depend on personal relationships, historical practice or informal understandings. Roundtable evidence identified a lack of clarity regarding the respective roles of NHT, DPAC, Houses and the Community Connector relationship. Survey and consultation synthesis also identified continuing

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overlap between governance and operations, and increasing pressure arising from compliance, reporting, and risk obligations.

Documented policies alone do not ensure role clarity. A shared framework should establish minimum role boundaries and accountability requirements, supported by evidence that these arrangements are understood and applied. It should retain sufficient flexibility to reflect differences in House size, staffing, structure, and community context.

The identified issues may be addressed through clearer roles, stronger capability support, and more consistent accountability mechanisms within the current structure. Structural changes could also be considered where they offer a sustainable response to board recruitment, governance capability or administrative duplication. The following options outline the principal models available.

Options for a future governance model

The distributed governance model supports local ownership and community responsiveness, but its operation requires 32 governing boards, multiple funding agreements and separate governance and administrative systems. Board capability also varies across the network. In the House survey, board recruitment, skills and turnover were identified as a governance challenge by 41% of the 246 total respondents, including 61% of the 34 manager respondents and 56% of the 16 Board Chair respondents. Consultation also identified particular recruitment challenges in smaller and remote communities.

A change to the governance structure could reduce the number of governing bodies and funding relationships, thereby providing more consistent access to governance capability. It could also affect local accountability, organisational independence and community participation. Four broad options are outlined below. Further consideration of implementation requirements is needed to support informed decision-making by the Tasmanian Government.

Option	Description	Potential advantages	Potential limitations
Network-wide administration through NHT	Provide all core funding through a principal agreement with NHT, which would administer funding and common systems across the network. A more extensive version of this model could also transfer governance, employment or operational responsibilities to NHT.	Likely to provide more consistent governance, financial management, workforce systems and risk controls. A smaller number of funding agreements would reduce duplicated grant administration and reporting. Network-wide arrangements may create opportunities to coordinate insurance, technology, human resources, procurement and professional advice. It would also reduce reliance on every community maintaining a separate skills-based board.	This would substantially expand NHT's current role and concentrate financial, operational, and reputational risk within one organisation. NHT would need additional capability, systems, authority, and funding. Local decision-making would become more distant from individual communities. Legal, employment, asset, membership, and transition implications would need detailed assessment.
Three regional governing entities	Consolidate House governance to three regional entities, potentially covering the North, North-West, and South. House Managers would retain responsibility for local operations and engagement.	Reduce the number of boards and grant agreements while retaining a regional connection. Regional boards are able to draw from a broader pool of governance, finance, workforce and legal capability. Common systems could improve consistency and reduce duplication in reporting, insurance, compliance, and administration.	Regional boundaries may not reflect the operating relationships or circumstances of every House. Regional boards may have less detailed knowledge of individual communities and would oversee Houses with differing needs, risks and operating models. The option would need legal restructuring, transition funding, and

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Option	Description	Potential advantages	Potential limitations
			effective mechanisms for local input.
Clustered governance	Consolidate Houses into smaller clusters, potentially comprising five to seven Houses. Each cluster would have one governing board, while individual Houses would retain local management and community engagement.	Pools board capability while maintaining a closer connection to individual Houses than a regional or statewide model. Fewer boards and funding agreements would reduce governance and reporting duplication. Clusters may also support common insurance, systems, procurement, staffing and specialist advice.	Cluster boundaries may be difficult to determine where Houses differ in location, scale, need or existing relationships. Consolidation could result in the loss of local governance knowledge and established board members. Each cluster would need clear arrangements for local participation, resource allocation and accountability between Houses.
Retain and strengthen the existing model	Each House would remain independently incorporated and governed by its local board. Reform would focus on clearer roles, common governance expectations, board development, expert advice and stronger escalation pathways.	Preserves local governance, community ownership and existing legal arrangements. Avoids the disruption and transition risk associated with structural consolidation. Shared frameworks, training, mentoring and specialist advice could address some capability gaps without transferring governance authority.	The network would continue to maintain multiple boards, funding agreements and governance systems. Recruitment and succession challenges may persist, particularly in smaller communities. Governance capability may remain uneven unless support arrangements are adequately funded and used consistently. Opportunities to reduce administration, insurance and systems costs may be more limited or depend on voluntary participation.

Local participation under a consolidated model

Local participation would remain necessary under any regional, clustered or network-wide model. This could be maintained through:

- local advisory groups
- community representation within the governing entity
- formal community consultation and needs assessment processes
- defined responsibilities for House Managers to advise the governing body
- transparent reporting on how local priorities inform decisions.

These arrangements could preserve a local voice without requiring a separate governing board for every House. Their effectiveness would depend on clear decision rights and a genuine connection between local input and governance decisions.

Matters requiring further assessment

Structural consolidation could reduce the number of boards, funding agreements, and separate governance processes. It may also support more consistent systems and collective arrangements for insurance, procurement, and specialist support. The extent of any savings or efficiency gains has not been established and would need to be assessed against:

- establishment and transition costs

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- legal and constitutional changes
- employment and asset arrangements
- NHT or regional administrative capacity
- allocation of funding between Houses
- insurance and liability implications
- effects on existing boards and community participation
- the cost of maintaining local engagement and advisory structures.

Consultation did not identify consistent support among Houses and boards for replacing local governance with a consolidated model. The available evidence supports further consideration of the options, particularly given board recruitment and capability pressures, but does not establish that consolidation would improve outcomes or reduce total costs.

Progress in governance reform

Assessment of the success of previous governance review implementation, identifying gaps and areas for improvement

NHT's progress confirmation indicates that most recommendations from the 2022 Independent Governance Review have been implemented. Key changes include constitutional reform, appointment of a skills-based board and new CEO, removal of mandatory membership, formal regional consultations, board training and performance review, updated governance policies, induction arrangements, and regular member communications.

Some recommendations remain partially implemented, particularly those relating to broader role clarity, implementation monitoring, complaints and grievance arrangements, and accountability across DPAC, NHT, member Houses and non-member Houses.

The remaining improvement areas concern how the reformed arrangements operate across the wider network. Priorities include:

- clarifying responsibilities between DPAC, NHT, and Houses;
- defining the support and communication available to non-member Houses;
- establishing clear complaint and escalation pathways; and
- strengthening how implementation progress and barriers are tracked.

These actions would consolidate the structural reforms already completed and address the role, relationship, and accountability issues that remain open.

Key findings

- **The current governance model supports local ownership and community responsiveness but relies on multiple volunteer boards with varying capability and recruitment conditions.** Board recruitment, skills, and turnover were identified as a governance challenge by 41% of total survey respondents, including 61% of the 34 manager respondents and 56% of the 16 Board Chair respondents. Clearer roles and stronger governance support could improve the existing model, while structural alternatives may warrant further assessment where they could reduce duplication or improve access to governance capability.
- **NHT provides important advocacy, coordination, and capability-building functions for the network, however the distinction between peak-body, membership, and optional services is not consistently understood.** A clearer mandate, operating model and accountability framework would support consistent expectations and strengthen confidence in the peak-body role across the network.
- **Governance capability varies across the network**, with some Houses experiencing challenges relating to board recruitment, governance expertise, succession planning, and board-manager role clarity. A more structured and consistent approach to governance and leadership development would help strengthen organisational resilience while preserving local governance arrangements. The current structure also creates risks where volunteer board members do not fully understand their responsibilities, recruitment pools are limited or overlapping local relationships make conflicts of interest more difficult to avoid and manage.

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Recommendations

Recommendation 20: Establish a clear and publicly documented peak-body mandate and operating model

NHT, in consultation with the Tasmanian Government and Houses, should establish and publish a clear mandate for NHT's peak-body role, distinguishing network-wide functions from membership and optional services. The peak-body roles should be clearly described by the Tasmanian Government through NHT's grant deed. NHT, with input from member and non-member Houses, should develop and share with Houses an operating model distinguishing these functions from voluntary membership benefits and optional services.

A clear and publicly available mandate should define the purpose, scope and limits of the peak-body function within the Neighbourhood House system. The mandate would also clarify that NHT supports, but does not govern or regulate, individual Houses. Publishing the operating model would give member and non-member Houses a common understanding of the support available, how it is funded and where responsibility sits.

At a minimum, NHT's grant deed should be reworded to clearly state the expectations of DPAC that core functions are to be provided to all Neighbourhood Houses, not just members of NHT. NHT should retain responsibility for defining membership rights and benefits through its constitution and membership arrangements.

Recommendation 21: Consider options for the future governance structure

The Tasmanian Government should undertake a project to consider assessment of options for the future governance structure of the network. Consultation should be undertaken with NHT, House Boards, House Managers and communities to complete this work.

Options considered should include:

- retaining and strengthening the existing local governance model
- consolidating governance across clusters of Houses
- establishing regional governing entities
- providing funding through NHT for network-wide administration or governance.

The assessment should consider local community participation, governance capability, board recruitment, legal, and financial accountability, grant administration and reporting, transition requirements, costs, and potential efficiencies. It should not assume that consolidation would reduce costs or improve governance without further evidence.

The assessment should present the implications of each option without predetermining a preferred governance model.

Recommendation 22: Strengthen representative leadership, capability support and accountability

NHT should establish transparent arrangements for forming sector positions, delivering shared capability support, and reporting on performance against its agreed mandate. This responds to survey findings that 70% of the 246 total respondents identified advocacy and representation as an appropriate role for NHT, 58% identified coordination and connection across Houses, and 56% identified governance support and capability uplift.

The operating model would include:

- inclusive consultation with member and non-member Houses on matters affecting the wider network
- a clear process for forming advocacy and policy positions and reporting back on how sector views were considered
- coordinated governance and organisational capability support, including practical resources, training, peer learning and referral to specialist advice
- an outcomes framework that reports on delivery, reach, and impact against the agreed peak-body mandate.

Capability support would strengthen local governance without transferring accountability from House Boards. Performance reporting would distinguish activities delivered from their outcomes and provide Houses and DPAC with a clear basis for reviewing the effectiveness of the peak-body function.

The scope and sequencing of these functions should be agreed through NHT's funded mandate. Before any additional functions are introduced, the Tasmanian Government and NHT should assess whether NHT has the funding, staffing, and specialist capability needed to deliver them.

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Recommendation 23: Establish a common governance and leadership capability framework

NHT should establish a common capability framework for House Boards, Chairs, Managers, and Coordinators, supported by structured development pathways for governance and operational leadership.

The framework would define the core capabilities needed across the network while allowing delivery to reflect the size, location, and operating context of each House.

Development pathways would reflect the distinct responsibilities of boards and managers. Board and chair development would focus on strategic direction, oversight, sustainability and succession. Manager and coordinator development would focus on operational leadership, workforce and volunteer management, financial management, risk, implementation of strategy and effective reporting to the board.

The framework would establish a shared baseline without requiring all Houses to adopt identical governance structures or operating practices.

Recommendation 24: Establish a tiered governance advice and support model

NHT, with support from the Tasmanian Government, should establish a support model that gives Houses access to proportionate governance resources, peer learning, specialist advice and independent assistance. Support would be matched to the nature and complexity of the issue, and could include the following tiers:

- Tier 1: Self-service resources. Foundational guidance, templates, and learning materials should support routine governance activities.
- Tier 2: Peer support and facilitated support. Chair forums, manager forums, communities of practice, mentoring, and facilitated problem-solving should support issues that benefit from shared experience but do not need specialist advice.
- Tier 3: Specialist advice and referral: access to professional advice on governance, financial, workforce, risk or compliance matters.
- Tier 4: Independent assistance: mediation, governance review or other independent support where an issue cannot be resolved through ordinary local processes.

Recommendation 25: Embed continuous governance improvement

The Tasmanian Government and NHT should establish a proportionate network-wide governance self-assessment and continuous improvement cycle, allowing Houses and the network to identify capability strengths, emerging risks and common development priorities over time. A periodic review (e.g. on a three-yearly cycle) would add rigour and rhythm to a continuous improvement approach.

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8 Funding Arrangements and Reporting

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Purpose of this chapter

This chapter examines the current reporting requirements and practices that support accountability for Neighbourhood House funding. It considers the extent to which existing reporting arrangements provide meaningful information for compliance, planning and evaluation, while balancing administrative burden on Houses.

This chapter also addresses the following focus area from DPAC's needs analysis specification:

- Recommendations for streamlining reporting requirements to reduce administrative burden for Houses and government, taking into consideration government minimum requirements for funding.

Future reporting should reflect the agreed purpose of government funding and provide useful information about funded activities, reach, and outcomes. Requirements should remain proportionate to the size and risk of the funding and make use of information already collected through other processes where possible.

Current approach

Reporting cycles and expectations

Reporting requirements are described in the grant deeds executed between DPAC and individual Neighbourhood Houses. The function of reporting is primarily to assess compliance with the grant deed, and where possible to identify whether a House is experiencing difficulties that need DPAC's intervention. Each additional Grant Deed typically generates an additional schedule of reports.

In recent years DPAC significantly reduced its reporting requirements, and has changed how reporting is gathered. A typical three-year reporting cycle is illustrated below:

Typical three-year reporting cycle

	Core grant, indexation, and booster	Community Connector Program
31 July 2025	Activity report 1 on 12 months' progress against agreed plan; KPIs; and expenditure	
31 October 2025	Financial report 1 – a copy of audited financial statements for 2024-25	Activity Report 1 Annual Organisation Report
31 January 2026		Activity Report 2
30 April 2026		Activity Report 3
31 July 2026	Activity report 2	Activity Report 4
31 October 2026	Financial report 2 – a copy of audited financial statements for 2025-26	Activity Report 5 Annual Organisation Report
31 January 2027		Activity Report 6
30 April 2027		Activity Report 7
31 July 2027		Activity Report 8
31 October 2027	Activity Report 3 Signed financial acquittal and evidence of expenditure Copy of audited financial statements for 2026-27	Activity Report 9 Annual Organisation Report
31 January 2028		Activity Report 10
30 April 2028		Activity Report 11
31 July 2028		Final Report and Acquittal

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The current reporting template is broadly quantitative and designed to gather attendance data and referral pathways, supplemented by a qualitative section through which Houses are asked to provide case studies to illustrate their work.

There is significant variation in how Houses approach each of these tasks, limiting the extent to which data can be reliably used for planning, benchmarking, or assessment.

In practice

Survey and interview submissions from House Managers and board members consistently highlighted several frustrations in their experience of compiling and submitting reports to DPAC. These can be grouped into:

- **Clarity of purpose**: a sense that reporting is a '*box-ticking exercise'* and that staff '*do not know where the information ultimately goes.'*
- **Content**: reporting requirements *'do not ask for information that truly demonstrates impact'*, and *'focus on quantitative measures rather than community outcomes.'*
- **Frequency and quality**: while some respondents welcomed the fact that reporting has been simplified in recent years to ease the burden on Houses, they also felt that *'the quality of information has declined'.* Others made general observations that requests for reports *'just keeps doubling and doubling.'*

> *"Reporting is important but the current reporting is cumbersome, time consuming, duplicative (even for the same department. eg. Core Funding, Community Connector funding, Food Relief) and does not actually gather data that is meaningful and useful to evidencing [outcomes]."*
>
> ***Survey response***

Consultation with DPAC acknowledged the tension between ensuring accountability for the expenditure of public money and gathering data to inform ongoing needs analysis; and a recognised need to minimise the administrative burden experienced by Houses. Further considerations include:

- **Low confidence in data accuracy**: both in the collation of quantitative participant data and where qualitative narrative in case studies is presented as established fact.

> *"If Houses are spending funds outside of their agreement they are making [the network] unsustainable. We always had target groups we were funded to work with. Tighten this again and make us accountable for this. It is easy to meet reporting requirements and have large numbers through the door, but how do you know we are working with the community we are funded for?"*
>
> ***Survey response***

- **Difficulty in identifying acute need**: most Houses report that they need additional funding. As a result it is difficult to distinguish between Houses approaching crisis and those seeking additional funding to expand services.

While reporting to the Department is a material component of the reporting burden experienced by Neighbourhood Houses, it should be understood in context. House Managers are also required to report to other funders, regulators, their own boards, and program partners, which are outside the scope of this needs analysis. The core issue is therefore not only DPAC reporting in isolation, but the cumulative effect of multiple reporting obligations on small organisations with limited administrative capacity.

Principles of good practice

Proportionality

Good practice reporting should provide appropriate accountability for public funding without imposing requirements that are disproportionate to the size of the grant, the level of risk or the administrative capacity of the funded organisation. For Neighbourhood Houses, reporting should confirm that funds have been used for their intended purpose while avoiding unnecessary duplication or administrative burden.

Purpose

Grant reporting should serve three core purposes: acquitting expenditure, demonstrating the outcomes achieved through that expenditure, and supporting evaluation and learning. This requires a balance between financial accountability, activity-level information, and evidence of community benefit.

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Balancing outputs and outcomes

Output measures such as activities delivered, participant numbers, and referrals provide useful information about reach and scale. However, they should be complemented by outcome-focused information that indicates whether activities are contributing to improved social connection, service access, wellbeing, skills development or other intended community outcomes.

Generating reciprocal value

Reporting is most valuable when the information collected is actively used to inform funding decisions, program improvement, sector planning, and advocacy. Requirements should therefore focus on a small number of meaningful indicators, rather than collecting data that is duplicative, low-value or not routinely analysed.

Reporting should create value for both government and the network. Where Houses provide information to DPAC, there should be a clear feedback loop so that data is analysed, shared, and used to identify trends, support evidence-based advocacy, inform future funding design and strengthen the sustainability of the Neighbourhood House model.

Key findings

- Current reporting arrangements provide accountability for public funding, however **Houses reported duplication, limited clarity regarding the purpose of reporting, and uncertainty about how reported information is ultimately used.**
- **Existing reporting frameworks place a strong emphasis on activities and outputs but provide limited visibility of community outcomes, impact, and the contribution of Neighbourhood Houses to broader community objectives.** Future reporting should better align with the purpose of government funding and focus on a small number of meaningful financial, output and outcome measures.

Recommendations

Recommendation 26: Consolidate reporting requirements across DPAC-funded streams

The Tasmanian Government has an opportunity to further assess and consolidate reporting requirements across core funding, the Community Connector Program and other DPAC-administered funding streams where the same or similar information is currently requested multiple times. The revised approach should reduce duplication, align reporting cycles where possible, and focus on the minimum information necessary to meet grant deed accountability requirements.

Recommendation 27: Refine reporting templates to focus on meaningful indicators

The Tasmanian Government, in consultation with NHT, should refine a small set of meaningful financial, output and outcome indicators that are proportionate to grant size, risk, and purpose. Reporting should continue to acquit expenditure and demonstrate delivery against funded objectives but should explicitly mitigate any impression that Houses are expected to report in detail on activities, outcomes or costs that are not funded through the relevant grant.

Recommendation 28: Establish a reporting feedback loop to support learning, planning, and funding decisions

The Tasmanian Government should establish a clear feedback loop between government, NHT, and Houses, allowing reported data to be analysed, shared and used to inform program improvement, sector planning and future funding design. This would help shift reporting from a compliance exercise to a reciprocal evidence base that creates value for both government and the network. This could include periodic sector-level summaries, identification of emerging trends, and feedback from government to Houses on how reported information has influenced decision-making.

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9 Jurisdictional Analysis

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Purpose of this chapter

This chapter uses DPAC's jurisdictional scan of Australian Neighbourhood and Community Houses to examine how Tasmania's Neighbourhood House funding model, network coverage, and support structures compare with other Australian jurisdictions. It identifies innovative approaches and system-level practices that could strengthen the effectiveness, sustainability, and long-term impact of Tasmania's Neighbourhood House network.

This chapter also addresses the following focus areas from DPAC's needs analysis specification:

- Comparative analysis of best practice models from other jurisdictions.
- Recommendations for adapting successful approaches to the Tasmanian context.
- Identification of innovative practices that could be piloted locally.

Jurisdictional analysis

In July 2026, DPAC undertook a jurisdictional scan of Australian Neighbourhood and Community Houses, examining peak bodies, primary funding sources, funding levels, and key support functions. The analysis also considered the Houses themselves, including the number of Houses in each jurisdiction, membership of local peak bodies and their primary funding sources and levels of funding. The analysis found that while all jurisdictions recognise the value of place-based, community-led organisations, there are significant differences in funding approaches, sector maturity, and the level of investment in capability and support structures.

Reach

Tasmania's 34 Neighbourhood Houses serve a population of approximately 579,000 people, providing a higher concentration of Houses per capita than New South Wales and Queensland, and a level of coverage broadly comparable with Victoria. The state supports approximately one House for every 16,500 residents, compared to one House per 17,800 residents in Victoria, 38,000 residents in Queensland, and 49,000 residents in New South Wales. This suggests Tasmania has a relatively high level of geographic coverage and accessibility to place-based community services compared to many other jurisdictions.

Core funding

Tasmanian Houses receive a higher level of core funding per House than the primary funding streams in several other jurisdictions. The jurisdictional scan records funding of approximately $270,000 to $294,000 for Tasmanian Houses, compared with around $230,000 to $250,000 in Queensland, $117,650 in Victoria, $129,000 in Western Australia and $99,000 in South Australia.

However, it must be noted that these figures are not directly comparable measures of total public funding, total organisational income or funding adequacy. Funding models differ across jurisdictions, and Houses may receive additional support from local government, adult and community education funding, program grants, premises arrangements, fees and other revenue sources. In Victoria, the figure represents funding through the Neighbourhood House Coordination Program, while around 150 Victorian Houses also access adult education funding.

Network and system-level funding

The analysis suggests that several jurisdictions are increasingly investing in system-level supports designed to enhance the effectiveness and sustainability of existing Houses. In addition to operational funding, Victoria, Queensland and Western Australia have established broader support systems that provide governance assistance, workforce development, research and data capability, policy advocacy, shared resources, and regional network structures. These supports help build organisational capacity, strengthen sector coordination, and enable Houses to respond more effectively to evolving community needs.

Queensland provides a strong example of how targeted investment can enable Neighbourhood and Community Houses to respond to emerging social challenges. In addition to core operational funding, centres can access dedicated funding for community connection workers, social prescribing initiatives, and cost-of-living support programs, strengthening their capacity to address loneliness, social isolation, and service navigation needs. Western Australia has adopted a similarly strategic approach through its Community Resource Centre network, which serves as a local gateway to government programs and community services.

Although direct funding per House in Victoria is significantly lower than in Tasmania, the sector benefits from system-level investment in coordination, governance, workforce capability, financial management, research, policy development, and regional network structures. This approach reflects a strategic focus on sector-wide capacity building, enabling Houses to operate within a more connected, supported, and sustainable service system.

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Key findings

- The jurisdictional analysis identifies options for funding design, targeted programs and network-level support. Decisions about Tasmania's baseline funding should also consider the operating cost and workforce evidence presented in this report. Tasmania provides a comparatively high level of core funding to Neighbourhood Houses, although funding sources, property arrangements, and other public support vary between jurisdictions, which limits the validity of direct comparison of total resources available to Houses in other states and territories.
- Other jurisdictions demonstrate the value of investing in network-wide capability, coordination, and targeted initiatives alongside core operational funding.

Recommendations

The analysis identified several approaches adopted in other Australian jurisdictions that could be adapted and piloted in the Tasmanian Neighbourhood House network.

Recommendation 29: Establish targeted program funding alongside core funding

Tasmania's comparatively strong core funding model suggests a solid foundation for community development. Building on this foundation, the Tasmanian Government should consider establishing targeted or outcome focussed funding streams that enable Houses to respond to emerging community priorities and place-based needs. Funding could support initiatives such as community connection and social prescribing programs, service navigation activities, cost-of-living responses, digital inclusion initiatives, or other priority areas identified through ongoing community needs assessment. This approach would provide greater flexibility to address emerging issues while preserving the stability of core operational funding.

Recommendation 30: Establish a statewide capability, collaboration, and shared learning network

Drawing on approaches adopted in Victoria and Western Australia, NHT could establish a coordinated statewide capability and collaboration network that supports peer learning, resource sharing, and sector-wide capacity building. The network could provide governance guidance, workforce and volunteer management resources, policy templates, training opportunities, communities of practice, mentoring arrangements, and mechanisms for sharing successful program models and operational approaches. A coordinated model would strengthen the sustainability and capability of individual Houses, reduce duplication of effort, support compliance requirements, and improve consistency across the network.

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10 Implementation Roadmap

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Purpose of this chapter

This chapter presents a strategic, multi-year roadmap for considering and implementing the recommendations contained within this report. It groups the recommendations into three connected priorities, identifies the principal dependencies between them, and sets out the implementation principles that should guide detailed planning.

The roadmap should not be interpreted as requiring all recommendations to commence or be completed within a single planning or funding cycle. The designation of a recommendation as a high priority indicates its strategic importance, but does not necessarily mean that it can or should be implemented immediately. Timing should also reflect dependencies, implementation readiness, available capacity and funding, and the need for consultation, testing and appropriate transition arrangements.

Implementation priorities

The findings of this needs analysis give rise to 30 recommendations across funding, workforce, safety, assets, community need, governance, reporting and network capability. Collectively, these recommendations represent a significant and interconnected reform agenda.

Full implementation is likely to require coordinated effort over multiple years. Attempting to progress all recommendations simultaneously would risk fragmenting effort, placing unrealistic demands on the organisations responsible for delivery and finalising reforms before their underlying foundations are settled.

The three priorities below are therefore intended to organise the recommendations into a coherent sequence rather than suggest that all recommendations should progress at the same time. Some activities may commence concurrently where they are sufficiently developed and do not pre-empt foundational decisions.

Priority 1: Establish an agreed purpose and funding compact

The first priority is to establish a shared and contemporary understanding of the purpose and role of Neighbourhood Houses and the scope of the activities the Tasmanian Government intends to fund.

The Tasmanian Government, with input from Neighbourhood Houses Tasmania and Houses, should agree:

- the contemporary purpose of the network
- the outcomes government is seeking from its investment
- the activities and functions encompassed by core funding
- the role boundaries between Houses and specialist services
- how activities outside the common government-funded purpose should be supported
- the respective responsibilities of the Tasmanian Government, Neighbourhood Houses Tasmania, House Boards and House Managers.

Targeted analysis should support this work by identifying the referral pathways available to Houses, the principal gaps or barriers affecting their use, and the circumstances in which Houses continue to support community members because suitable services are unavailable, inaccessible or subject to significant delays.

This should include an evaluation of the Community Connector Program. The analysis should remain focused on the information required to clarify the role, boundaries and referral functions of Neighbourhood Houses rather than attempting a comprehensive review of the wider community services system.

The resulting agreement should be reflected consistently in the Neighbourhood House strategic framework, House and peak-body funding arrangements, the peak-body mandate, accountability settings and reporting requirements.

Recommendations 1 and 2 constitute the principal foundation for the roadmap. They should produce a sufficiently clear agreement on purpose, role boundaries, intended outcomes, referral expectations and government funding scope. Dependent reforms may be explored while this work proceeds, but should not be finalised in a way that pre-empts or conflicts with these decisions.

Rec. number	Recommendation description	Indicative owner	Indicative priority
1	**Clarify the purpose, role, and funding scope of Neighbourhood Houses.** Establish the contemporary purpose and role of Houses, the boundaries of that role, and the functions and outcomes the Tasmanian Government will fund,	**Tasmanian Government,** with input from NHT and Houses	High

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Rec. number	Recommendation description	Indicative owner	Indicative priority
	with input from Neighbourhood Houses Tasmania and Houses.		
2	**Undertake a statewide analysis of referral pathways.** Undertake a statewide analysis of the referral pathways available to Neighbourhood Houses, to better understand what services are available to address the complex community needs presenting to Houses. The analysis should identify the types of support most commonly provided by Houses, the government and non-government service systems to which those supports relate, and the referral pathways available to these services that could be utilised by Houses.	**Tasmanian Government,** involving relevant government agencies, with input from NHT and Houses and service providers	High

Priority 2: Align the operating and funding model with that purpose

Following sufficient agreement on purpose, role boundaries and funding scope, the minimum workforce, safety, governance, administrative, technology and asset requirements needed to deliver the agreed role safely and sustainably should be defined to support future funding decisions.

The minimum safe workforce model should form a central component of the broader minimum operating model. The reasonable cost of that operating model should then be assessed to establish a transparent basis for future funding.

This priority should include:

- defining the minimum safe workforce and staffing coverage requirements
- costing the minimum operating model
- distinguishing baseline operating costs from program delivery costs
- designing and testing a revised funding framework
- considering appropriate indexation for workforce and non-workforce costs
- providing greater certainty for ongoing functions through longer-term funding arrangements
- allowing targeted and cross-government funding for defined additional outcomes
- establishing a structured review and renewal process
- providing a sustainable approach to property maintenance and asset renewal
- clarified roles for the Tasmanian Government, Neighbourhood Houses Tasmania, House Boards and House Managers
- a clear distinction between government-funded network-wide functions, membership services and optional services
- clearer thresholds for DPAC involvement where funded obligations, public funding, program continuity or community access are at material risk
- establishing appropriate transition arrangements.

Future funding arrangements should provide a transparent baseline for the minimum safe operating environment, with proportionate adjustments for community context and critical operating circumstances.

Funding design should also consider opportunities for efficiencies, shared services and coordinated procurement. These opportunities should complement, rather than substitute for, the funding required to maintain a safe and sustainable operating model. Potential savings should only be recognised after costs, benefits, service quality and transition impacts have been demonstrated.

This priority will involve several stages, including detailed design, costing, scenario modelling, consultation, testing and transition planning. Given the range and complexity of the matters involved, elements of the revised operating and funding model may need to be introduced progressively rather than through a single implementation event.

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Rec. number	Recommendation description	Indicative owner	Indicative priority
3	**Define a minimum safe workforce model based on an agreed purpose and role of Neighbourhood Houses.** Determine the workforce capacity, coverage, capability, and support necessary to deliver the agreed purpose safely and sustainably, including volunteer support, psychosocial safety, and work health and safety obligations. The workforce model should form a core component of the minimum operating model to be costed under Recommendation 7, with workforce-related baseline costs distinguished from program delivery costs under Recommendation 8.	**Tasmanian Government,** in consultation with NHT and Houses	High
7	**Determine the cost of the agreed minimum operating model.** Building on the workforce model proposed under Recommendation 3, assess the reasonable cost of the staffing, governance, safety, compliance, administration, and facility functions needed to maintain a safe and functional House. This also provides the baseline operating cost necessary to support the distinction between core operating and program delivery costs under Recommendation 8.	**Tasmanian Government,** in consultation with NHT and Houses	High
8	**Distinguish core operating costs from program delivery costs.** Separate the baseline cost of maintaining a safe and functional House from the additional cost of delivering programs, community development activities and other services. The baseline should reflect the minimum operating model costed under Recommendation 7, including the minimum safe workforce requirements established under Recommendation 3.	**Tasmanian Government,** informed by Houses and NHT	High
9	**Enable Houses to test and pilot shared services and coordinated procurement opportunities.** Support interested Houses to trial shared arrangements, with wider adoption considered only after costs, benefits, service quality and transition impacts have been demonstrated.	**Tasmanian Government and participating Houses,** with support from NHT where appropriate	Low
10	**Establish a sustainable approach to property and asset responsibilities.** Clarify and support responsibility for property maintenance, compliance, lifecycle renewal, and deferred maintenance liabilities.	**Tasmanian Government**, involving relevant asset-owning agencies and **Houses**	Medium
11	**Adopt, test, and refine a revised funding framework.** Develop and test a model comprising a common operating baseline, adjustments for community need and operating context, and targeted funding for defined additional outcomes.	**Tasmanian Government**, with input from **NHT and Houses**	High
12	**Consider appropriate indexation.** Determine how workforce and non-workforce funding components	**Tasmanian Government**	Medium

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Rec. number	Recommendation description	Indicative owner	Indicative priority
	should be indexed, recognising the different cost pressures affecting each component.		
13	**Introduce longer-term funding arrangements.** Provide greater certainty for ongoing functions, supported by appropriate review points and sufficient notice of future funding decisions.	**Tasmanian Government**	High
14	**Introduce a structured review and renewal process.** Review funding allocations in response to material changes in community need, service availability, workforce costs, and operating conditions.	**Tasmanian Government**, informed by **Houses and NHT**	Medium
15	**Establish criteria for considering new Neighbourhood Houses.** Define how community need, existing services, alternative delivery options, operating viability, and impacts on existing Houses should inform consideration of any new House.	**Tasmanian Government,** informed by community evidence, **NHT and Houses**	Low
20	**Establish a clear and publicly documented peak-body mandate and operating model.** Clarify Neighbourhood Houses Tasmania's government-funded network-wide functions and distinguish them from membership and optional services.	**NHT and the Tasmanian Government,** with input from member and non-member Houses	High
21	**Consider options for the future governance structure.** Assess the existing local governance model alongside clustered, regional, and network-wide alternatives, including their implications for local participation, accountability, transition, and cost.	**Tasmanian Government,** working with NHT, House Boards, managers and communities	Low
29	**Establish targeted program funding alongside core funding.** Provide funding for defined priorities outside the common funded purpose, including cross-government investment where activities relate to other portfolios.	**Tasmanian Government**, including relevant government agencies, with input from **NHT and Houses**	Medium

Priority 3: Build a connected, well-governed, and evidence-informed network

The Tasmanian Government, Neighbourhood Houses Tasmania and Houses should progressively establish clearer governance arrangements, stronger shared capability and a proportionate evidence framework.

This should include:

- governance and leadership capability development
- volunteer sustainability and workforce support
- consistent safety and workforce capability standards
- a structured but flexible approach to identifying community need
- improved visibility of partnership and referral outcomes
- consolidated and streamlined reporting

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- feedback to Houses about how reported information is used
- regular monitoring of changes in community need, accessibility and the network footprint
- stronger opportunities for peer learning, collaboration and access to shared expertise.

This priority comprises reforms of differing scale, readiness and complexity. Selected improvements relating to safety, governance capability, reporting consolidation and evidence development may commence while the foundational work is underway, provided they do not pre-empt decisions about purpose, role boundaries, funding scope or the future operating model.

Other reforms, particularly changes to governance structures, the peak-body operating model, network-wide systems or shared service arrangements, require further design, agreement on responsibilities, confirmed resourcing and, where appropriate, testing before broader adoption.

Reporting should align with the agreed purpose of government funding and focus on a small set of proportionate financial, output and outcome measures. A clear feedback loop should allow Houses to understand how reported information informs program oversight, planning, service improvement and future funding decisions.

Rec. number	Recommendation description	Indicative owner	Indicative priority
4	**Develop a network-wide volunteer sustainability strategy to strengthen volunteer recruitment, retention and wellbeing.** Strengthen volunteer recruitment, retention, capability, role clarity, safety, wellbeing, and recognition.	**NHT,** with input from Houses and support from the Tasmanian Government where agreed	Medium
5	**Establish consistent safety and workforce capability development standards across the Neighbourhood House Network.** Develop network-wide requirements covering safety, risk management, incident response, psychosocial hazards, de-escalation, referral, and access to specialist support.	**NHT and Houses**, with the scope and resourcing agreed with the **Tasmanian Government**	High
6	**Increase collaboration and resource sharing across the network.** Explore relief arrangements, mentoring, specialist advice, and access to common workforce and governance resources.	**NHT and Houses,** with support from the Tasmanian Government where additional funding or capability is necessary	Medium
16	**Establish a structured methodology for identifying and prioritising community needs.** Provide Houses with a practical and consistent approach to documenting and evidencing community need while retaining local flexibility.	**NHT**, with input from **Houses**	Medium
17	**Implement a network-wide framework for measuring partnership outcomes and cost-effectiveness.** Improve visibility of referral effectiveness, community outcomes, partnership value, and the resources contributed by Houses.	**NHT and Houses**, with input from the Tasmanian Government on reporting and funding requirements	Low

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Rec. number	Recommendation description	Indicative owner	Indicative priority
18	**Use community needs modelling to guide the future network footprint.** Use the modelling, supported by House-level and local evidence, to inform decisions about network reach, accessibility, outreach, and investment.	**Tasmanian Government**, with input from **NHT and Houses**	Medium
19	**Maintain a regular evidence cycle to inform service planning and funding decisions.** Monitor demographic change, housing pressure, service access and material changes in House demand to inform future service planning and funding decisions.	**Tasmanian Government,** with evidence contributed by NHT and Houses	Medium
22	**Strengthen representative leadership, capability support and accountability.** Establish transparent processes for sector consultation, advocacy, shared capability support and reporting against the agreed peak-body mandate.	**NHT,** with its mandate and resourcing agreed with the Tasmanian Government and input from Houses	High
23	**Establish a common governance and leadership capability framework.** Define the capabilities and development pathways necessary for House boards, chairs, managers, and coordinators.	**NHT**, in consultation with Houses	Medium
24	**Establish a tiered governance advice and support model.** Provide self-service resources, peer support, specialist advice, and independent assistance according to the nature and complexity of the issue.	**NHT,** with support and agreed funding from the Tasmanian Government	Medium
25	**Embed continuous governance improvement.** Establish a proportionate governance self-assessment and continuous improvement cycle across the network.	**Tasmanian Government and NHT**, with participation from Houses	Low
26	**Consolidate reporting requirements across DPAC-funded streams.** Reduce duplication across core funding, the Community Connector Program and other DPAC-administered funding streams.	**Tasmanian Government,** with input from NHT and Houses	High
27	**Refine reporting templates to focus on meaningful indicators.** Establish a small set of proportionate financial, output and outcome indicators aligned with the agreed purpose and conditions of government funding.	**Tasmanian Government,** in consultation with NHT and Houses	High
28	**Establish a reporting feedback loop to support learning, planning, and funding decisions.** Explain how reported information is used to inform program oversight, funding design, network planning, and service improvement.	**Tasmanian Government,** with sector-level coordination involving NHT	Medium

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Rec. number	Recommendation description	Indicative owner	Indicative priority
30	**Establish a statewide capability, collaboration and shared learning network.** Support peer learning, resource sharing, mentoring, and access to common guidance, tools, and successful practice.	**NHT,** with participation from Houses and funding support from the Tasmanian Government where agreed	Medium

Resourcing and future funding agreements

Several recommendations assign a lead or supporting role to Neighbourhood Houses Tasmania. Implementation of these recommendations will need to be agreed between the Tasmanian Government and Neighbourhood Houses Tasmania, including the scope of each function, intended outcomes, delivery responsibilities, access arrangements and accountability requirements.

Where the Tasmanian Government expects Neighbourhood Houses Tasmania to deliver new or expanded network-wide functions, those expectations should be clearly reflected in future funding agreements. The agreements should specify the funding, staffing, systems and specialist capability necessary to establish and sustain the functions. Existing references to members should also be clarified where government-funded services are intended to benefit all funded Houses.

Implementation capacity will also be required within government and individual Houses. Before work commences, implementation planning should consider whether the proposed lead and supporting parties have sufficient policy, program, governance, project-management, analytical and change-management capacity to deliver the recommendation while maintaining their existing responsibilities.

The allocation of an indicative owner in the roadmap tables does not establish that the organisation currently has the mandate, capacity or resources to implement the recommendation. These matters should be confirmed through detailed implementation planning and future funding discussions.

Implementation approach

The roadmap represents a significant, interconnected and multi-year program of reform. Its successful implementation will depend not only on which recommendations are accepted, but also on how they are sequenced, designed, governed, resourced, tested and transitioned.

Attempting to progress all recommendations simultaneously would risk fragmenting effort, overloading the organisations responsible for delivery and finalising reforms before their underlying foundations are settled. Implementation should therefore be organised around a manageable program of work that clearly identifies dependencies, decision points, responsibilities and resource requirements.

The three implementation priorities provide a proposed sequence for progressing the recommendations. They are intended to guide consideration of dependencies and priorities while allowing selected activities to progress concurrently where appropriate.

The Tasmanian Government should lead decisions on the government-funded purpose of Neighbourhood Houses, the minimum operating model, the funding framework, funding instruments, program stewardship and reporting requirements. These decisions should be informed by input from Neighbourhood Houses Tasmania, Houses and other relevant government agencies.

Neighbourhood Houses Tasmania should lead network capability, volunteer sustainability, shared learning and peak-body operating arrangements where these functions fall within its agreed and funded mandate. Individual House Boards should retain responsibility for local governance, with House Managers responsible for implementation within their delegated authority.

Implementation should be guided by the following principles:

- Get the foundations right. Allow sufficient time for robust analysis, consultation and agreement on purpose, role boundaries, funding scope and the minimum operating environment before finalising dependent reforms.

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- Recognise dependencies. Recommendations that rely on an agreed purpose, minimum operating model or revised funding framework should be designed and implemented after those foundations are sufficiently established.
- Pace implementation realistically. Sequence work according to dependency, readiness, organisational capacity and available resources rather than seeking to implement all recommendations within a single cycle.
- Allow selective concurrent progress. Activities relating to immediate safety matters, governance capability, reporting simplification and evidence development may commence while foundational work is underway, provided they do not pre-empt decisions about purpose, role boundaries, funding scope or the future operating model.
- Confirm ownership and authority. Each recommendation should have a clearly identified lead and supporting parties whose roles reflect their respective authority, responsibilities and capacity.
- Assess implementation requirements. Before a recommendation proceeds, consider the funding, staffing, systems, specialist capability, consultation, project management and change support required to implement and sustain it.
- Test before wider adoption. Material changes to funding allocation, reporting, shared services, systems or governance arrangements should be subject to appropriate modelling, consultation, piloting or staged introduction before broader implementation.
- Maintain proportionality. New reporting, evidence and accountability requirements should remain proportionate to the purpose, value and risk of the funding provided.
- Protect continuity. Changes to funding, workforce or operating arrangements, particularly any reduction or redistribution of funding, should include appropriate transition measures to avoid sudden disruption to staffing, community access or service continuity.
- Review and adapt. Implementation experience, evaluation findings and updated evidence should be used to refine later stages of reform rather than assuming that the initial design will remain appropriate throughout the program.

Implementation could be organised into four overlapping stages.

Stage 1: Establish the foundations and agree direction

This stage should focus on the contemporary purpose of Houses, role and service boundaries, intended outcomes, referral pathways, funding scope and the respective responsibilities of government, Neighbourhood Houses Tasmania and Houses.

Selected early actions may also commence where they address material safety, governance, reporting or evidence issues and do not depend on the final future-state model.

Stage 2: Design and test future arrangements

This stage should translate the agreed foundations into detailed workforce, operating, funding, governance, reporting and capability arrangements.

It should include costing, scenario modelling, consultation, assessment of distributional impacts, pilots where appropriate, and identification of the transition and resourcing requirements associated with implementation.

Stage 3: Transition and progressively implement agreed reforms

This stage should introduce agreed reforms through planned and appropriately supported transition arrangements.

Implementation may be staged across funding cycles or groups of recommendations where this reduces disruption, allows lessons to be incorporated and reflects the readiness of government, Neighbourhood Houses Tasmania and Houses.

Stage 4: Evaluate, refine and embed

This stage should assess whether the reforms are achieving their intended outcomes and whether the arrangements remain practical, proportionate and sustainable.

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Evaluation should be used to refine the funding framework, operating requirements, governance support, reporting arrangements and future implementation priorities. The evidence and review cycles proposed elsewhere in this report should support continuous improvement over time.

The current grant deed concludes on 30 June 2027 and Community Connector Program funding is committed to 2027-28. These milestones will need to be considered in implementation planning. However, the timing of existing funding instruments should not result in dependent reforms being finalised before the necessary foundational analysis, consultation and testing are complete. Transitional funding or interim arrangements may therefore be required to preserve continuity while the longer-term model is developed.

The resulting model should preserve the characteristics that make Houses effective, including local trust, community ownership, flexibility and responsiveness. At the same time, it should establish a clearer boundary between:

- the core public purpose funded by government
- additional activities commissioned through specific government programs
- locally determined activities that Houses may pursue through partnerships, grants or other revenue.

The objective is not to constrain community initiative. It is to establish a transparent and sustainable compact in which Houses understand the purpose and minimum capacity government will fund, government understands the outcomes it can reasonably expect, and both parties can make deliberate choices about activities beyond that core.

Achieving this objective will require sustained effort over multiple years. Success should be measured not by the number of recommendations commenced in the short term, but by whether reforms are coherent, evidence-informed, appropriately resourced and capable of being sustained by government, Neighbourhood Houses Tasmania and Houses. A deliberate approach that establishes the foundations first, while progressing carefully selected early actions, is more likely to deliver durable improvement and avoid unintended disruption.

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