

**Submission
No 89**

INQUIRY INTO PREVALENCE, CAUSES AND IMPACTS OF LONELINESS IN NEW SOUTH WALES

Organisation: Local Community Services Association (LCSA)

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Submission to the Inquiry on the prevalence, causes and impacts of loneliness in NSW

November 2024



Submission prepared by the Local Community Services Association (LCSA)

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LCSA is open to attending hearings for this Inquiry.

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Executive Summary

In this submission, LCSA canvasses loneliness as a critical issue of our time, noting considerable stigma and systemic factors exacerbating loneliness that must be addressed in any comprehensive response to loneliness. It discusses the impacts of loneliness on people and its economic costs.

This submission urges the Committee to consider leveraging the social infrastructure network of neighbourhood and community centres (NCCs) to further reduce loneliness in NSW and covers existing initiatives in NCCs that lift social connectedness locally. It considers the unique position and expertise of NCCs to respond to loneliness effectively through programs and activities, volunteering, partnerships and the place-based, co-design practice of community development. Social measurement tools for loneliness are explored, including a community wellbeing survey designed by LCSA and a large-scale survey conducted by LCSA's counterpart in Victoria.

This submission refers to the Queensland experience, where, following a 2021 Loneliness Inquiry, the Queensland Government delivered core funding to NCCs in that state. This leads, finally, to discussion of how NSW NCCs could be sustainably funded as a statewide strategy to reduce loneliness.

Recommendations Summary

LCSA makes the following recommendations to this committee. Full details of recommendations are available in Appendix A.

Recommendation 1

An annual Social Infrastructure Investment, separate and in addition to program funding, into existing and new neighbourhood and community centres (NCCs):

- a. Annual core funding of **\$316,388** per NCC, coming to an annual total of **\$55.4m** for 175 NCCs across NSW
- b. **\$5 million** Community Investment Fund: a one-off Fund to which organisations can apply to either top up their baseline funding or create new NCCs.

Recommendation 2

A one-off Loneliness Investment Fund of **\$3.7 million**

- a. **\$20,000** one-off project funding for 175 local organisations
- b. **\$180,000** for project coordination by peak body, inclusive of a research and evidence component.

Recommendation 3

Fund two dedicated positions at LCSA to support capacity building of the sector for **\$244,697** per year.

2 Sector Development positions (SCHADS 6.1 p.a)	\$212,780
On-costs	\$31,917
Total cost p.a.	\$244,697

Introduction

Neighbourhood and community centres (NCCs) in NSW are the beating heart of NSW communities. Every week, 72 thousand people walk through the doors of 175 NCCs across NSW (LCSA 2022 Member' Census). 60% of LCSA member-centres are located in rural and regional NSW.

In this submission, LCSA argues that the nature of NCCs as place-based social infrastructure is already addressing loneliness and social isolation with individuals and communities. This is done through a 'locals helping locals' approach – whether that is genuine codesign of programs with local communities, establishing groups that build social capital and creating warm and universal access points ('no wrong door', 'soft-entry', 'from cradle to grave') for all its members, regardless of background or circumstance.

NCCs already have the expertise, the networks, experience and local knowledge to reduce loneliness and social isolation in their local communities. Their capability to broaden this work would be increased significantly with the delivery of social infrastructure funding from the NSW Government.

LCSA has encouraged its members to make submissions to this Inquiry. We ask the Committee to consider LCSA's submission in tandem with submissions from NCCs.

Investing in neighbourhood and community centres is the answer.

About LCSA and its NCC members

Local Community Services Association (LCSA) is the peak body and membership organisation for neighbourhood and community centres (NCCs) in NSW. Our purpose is to represent the interests of our diverse place-based, locally-governed member organisations with a particular emphasis on community development.

Our network of 175 NCCs is the largest community-led infrastructure network in NSW. NCCs are uniquely placed to know and respond to the needs and aspirations of their communities. They facilitate community development projects, coordinate service delivery, and they are an integral part of frontline responses to, and recovery from, natural disasters. NCCs are recognised as service providers in a diverse community services sector.

What is Community development?

Community development is a practice in which social issues are addressed on a grassroots level from the 'bottom up', usually guided by community development practitioners (Neighbourhood Centres Queensland 2021). It aims to do things *with* people, rather than

for people or to them. Community development methods featured strongly in the Australian Assistance Program in the early 1970s, launching much of the Australian neighbourhood and community centre movement. When properly adhered to, community development is inherently a co-design and place-based process. Through a process of genuine community development, NCCs become holders of local knowledge.

The loneliness epidemic

- a) *the extent of loneliness and social isolation in NSW and how this is measured and recorded, including opportunities for additional and/or improved data capture*
- b) *the identification of populations most at risk of loneliness and social isolation*

It is important to note that ‘loneliness’ and ‘social isolation’ are related but distinct concepts. In its 2020 White Paper, Ending Loneliness Together states that:

‘Loneliness is defined as *an aversive and subjective feeling of social isolation* that arises when an individual perceives that the quality or quantity of social relationships that they have is less than what they desire...Loneliness is *not equivalent to social isolation*, which is an objective measure of the number of friends, family, or other social connections that an individual has and the frequency of contact with these social connections. While social isolation and loneliness can both occur at the same time for an individual, they refer to different aspects of an individual’s social relationships’ (Ending Loneliness Together 2020, p.11).

Ending Loneliness Together conducted a loneliness study with a representative sample of over four thousand Australians aged 18 – 92, reported on in their first State of the Nation Report 2023. It found that almost 1 in 3 Australians feel lonely, with 1 in 6 experiencing severe loneliness. 22% of Australians aged 18 – 24 felt lonely often or always, the highest percentage of any cohort (Ending Loneliness Together 2023).

Ending Loneliness Together’s White Paper characterises loneliness as a critical issue of our time and notes that loneliness carries risks associated with poorer health outcomes and a decreased quality of life. Loneliness is a consequence of a multitude of factors, and a one-size-fits-all approach will not work.

NCCs are hubs of local knowledge, and loneliness and social isolation do not look the same in every community. The underlying causes and drivers of loneliness and social isolation are varied and diverse, which means that the face of loneliness in NSW is not static.

While some communities reflect vulnerable cohorts that are identified in literature, such as people aged over 65 or those residing in rural areas, other communities identify different cohorts, such as men aged 18-45 (Nimbin Neighbourhood and Information Centre

submission to this Inquiry), young people aged 18-25, migrant and refugee communities, those affected by natural disasters, and those going through life transitions, particularly due to family breakdown or domestic violence. NCCs are nimble and responsive to loneliness as it shows up in their communities. In LCSA’s 2022 Member Census, which was completed by 108 NCCs (or 60% of LCSA’s membership), over 60% reported that they work with the following cohorts:

People with low income	64%
Women over 65	62%
Families and children (including single parents)	62%
People at risk of social isolation	62%
People from CALD backgrounds	61%

LCSA Census 2022

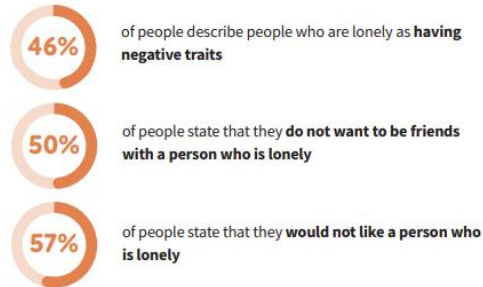
However, NCCs are not defined by a service or a target demographic. Their universal nature means that centres are often the first point of contact for vulnerable individuals, many of whom will eventually identify loneliness as an issue in their life once a trusting relationship with NCC staff has been established.

NCCs identify loneliness and social isolation by having an open door, a welcoming presence and an empathetic ear to local community experiences. NCC projects, approaches and activities are explored in detail in this submission, under the heading ‘leveraging NCCs to reduce loneliness’.

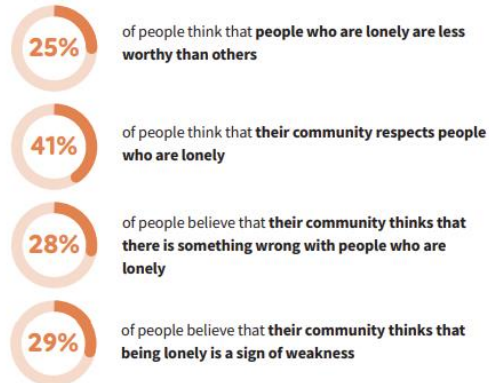
Ending the stigma of loneliness

A central element of reducing loneliness is addressing considerable stigma and perceptions of loneliness. The State of the Nation Report found that 1 in 4 people think that people who are lonely are less worthy, and 1 in 2 people stated that they do not want to be friends with a person who is lonely.

Perceptions of People who feel lonely



Community Stigma



State of the Nation Report 2023, p. 28.

Lonely individuals must be meaningfully connected with their communities, and communities must be worked with to reduce harmful stigma and create openness to quality connections with individuals who are lonely. NCCs are best-placed to do this work alongside community.

There are also links between social stigma and loneliness. UK Government research that is part of their ongoing loneliness strategy notes that experience of discrimination, either directly or indirectly (as an extended family member or carer), are strong predictors of loneliness. They note that these findings have been made for discrimination

‘around ethnicity, race, immigration, mental health, sexual orientation, homelessness, intellectual disabilities and autism. These experiences can also affect loneliness indirectly by affecting how people feel about themselves, reducing trust in others and/or increasing sensitivity to rejections which can lead to shying away from social interactions.’ (UK Government 2023).

Systemic factors exacerbating loneliness and social isolation

LCSA’s Victorian counterpart, Neighbourhood Houses Victoria (NHVic) in their paper on loneliness and social isolation note that, ‘social isolation and loneliness cannot just be considered as problems located within individuals. Our broader social and economic

structures contribute to and exacerbate the problem' (NHVic 2020, p.15). There is no doubt that this applies to the NSW context, too. Australia's growing inequality, cost-of-living crisis, housing affordability crisis, persistently high rates of domestic and family violence and increase in natural disasters are all part of the bigger picture.

Lack of affordable and accessible housing in cities and near public transport hubs drive people to the city fringes leading to longer and farther work commutes. In rural communities, young people often have to leave their entire community for work, study opportunities and to access essential services or support groups. A lack of aged care in rural communities and lack of couples' accommodation in aged care separates couples, families and friends.

Australia's woefully inadequate welfare system leaves people without the resources to participate in society while creating high levels of psychological distress (Australian Psychological Society 2015; KPMG 2016), contributing to social isolation.

These factors did not occur in a vacuum and cannot be solved in one. However, NCCs do incredible work to help communities navigate broken systems and to manage their impacts. NHVic describes the role of NCCs to reduce loneliness within these systems:

'Improving employment opportunities, supporting local jobs, challenging discrimination, facilitating community education on these issues, giving support and voice through community advocacy to those who experience discrimination or lack of services can all be part of a strategy to reduce social isolation and loneliness.' (p. 16).

Impacts of social isolation and loneliness

- c) *evidence of the psychological and physiological impacts of loneliness on people, including young people, the elderly, those living with a disability, those living in regional areas and the bereaved*
- d) *evidence linking social connection to physical health*
- e) *factors that contribute to the development of transient loneliness into chronic loneliness*

Loneliness has serious implications for mental health. It is a predictor for future poorer mental health severity including depression, social anxiety. It also increases the odds of having a clinically diagnosed mental health disorder. **Loneliness is associated with increased suicidality – those with severe loneliness are 17 times for likely to have made a suicide attempt in the past 12 months** (Stickley & Koyanagi 2001; as cited by Ending Loneliness Together 2020).

Loneliness is also associated with a 26% greater risk of premature mortality, and living alone or being socially disconnected is associated with a similar increased risk of early death (2020). It is linked to emotional distress, the development of dementia, and biological effects such as high blood pressure and impaired immune function. It is associated with psychological distress and sustained decreases in feelings of wellbeing (AIHW 2022).

According to Ending Loneliness Together's State of the Nation Report, Australians who feel lonely are:

- Less engaged in physical activity
- Twice as likely to have chronic disease
- 4.6 x more likely to have depression
- 4.1 x more likely to have social anxiety
- 5.2 x more likely to have poorer wellbeing.

While there are links between social connection and physical health, the Report concludes that 'loneliness is more related to psychosocial quality of life and less related to physical quality of life' (2023, p. 25).

It must be noted that these links are bi-directional and correlational, and not necessarily causal. I.e., a person's lifelong chronic illness may negatively impact their ability to socially connect and increase their sense of loneliness, as opposed to a significant sense of loneliness causing their chronic illness. Understanding this nuance has policy implications in tackling loneliness. Chronic illness, social anxiety and depression are not preventable in all cases, so policies targeting loneliness would need to be tailored to ensure that people with chronic illness can become socially connected in rewarding relationships while sustainably managing health limitations.

The complex interplay between these risk factors and loneliness is deserving of continued research.

The costs of loneliness on the economy

- f) the financial costs of loneliness to the NSW budget and the state economy and steps that can be taken to reduce the financial burden of loneliness*

Economic modelling on the costs of loneliness to the Australian economy have only just begun to be published. The UK Government is world-leading in this research area. Overall, costs occur in increased health system use, lost productivity, increased welfare and justice system costs and in reduced quality of life and economic participation for individuals and families (Centre for Economics and Business Research 2017; as cited by NHVic 2020).

Bankwest Curtin Economics Centre’s report on loneliness and social connectedness in Australia found that loneliness is associated with poor health behaviours and costs up to \$2.7b each year, an equivalent annual cost of \$1,565 for every person who becomes lonely (BCEC 2021, p.13). These costs are primarily borne by the health system, which includes more frequent presentations to GPs and hospitals. Social isolation in particular is associated with ‘adverse health behaviours’ such as smoking on a daily basis, excessive alcohol consumption and less physical exercise. It notes that:

These findings provide evidence of the strong economic benefits to be drawn from programs and initiatives that mitigate loneliness. This economic pressure will reduce demands on Australia’s health system, improve community connectedness and enhance personal wellbeing for millions of Australians (BCEC 2021).

The UK is far ahead of Australia in establishing cost-benefit analyses of investment into prevention and community-based solutions. Britain announced the world’s first Minister for Loneliness in 2018 in the UK Government and launched the world’s first government strategy to reduce loneliness. All relevant government departments report annually on what actions they are taking to reduce loneliness, effectively making loneliness ‘everyone’s business’ (UK Government 2023).

The UK Government’s Loneliness Monetisation Report states that the impact of moderate to severe loneliness on health, productivity and wellbeing is at least £9,976 per year (or around \$20,000 AUD) per individual (Peytrignet et. al. 2020).

A 2017 report found that loneliness cost UK employers around £2.5 billion (\$4.9b AUD) per year (New Economics Foundation 2017). The report looked at four key pathways to determine the impact of loneliness on:

1. Employee health outcomes and the costs of associated sick leave
2. Health of those who are cared for by loved ones in employment, and the costs to employers of the associated caring activity by employees
3. Employee wellbeing and the costs *to employees* of the related reduction in productivity
4. Employee wellbeing and the costs *to employers* of the related increase in voluntary staff turnover.

The report notes that only ‘10% of the total costs are derived from the pathways relating to the impact of loneliness on health, compared to 90% from the pathways related to wellbeing’ (2017, p. V).

LCSA recommends that the Committee explores the UK Government’s vast (and growing) depository of research and evidence, policy analysis, funding streams, funded projects and Tackling Loneliness annual reports for inspiration on ways the NSW Government could create similar components in any future government strategy on loneliness.

LCSA also recommends that the Committee consider costs to the economy alongside the material impacts on individuals who are lonely. It is vital that people are not reduced to economic units and that productivity potential is not singularly pursued. These indicators are likely to improve indirectly as a result of primary interventions and initiatives that improve social connectedness and meaningful relationships in community.

Leveraging NCCs to reduce loneliness in NSW

- g) the identification of existing initiatives by government and non-government organisations to mitigate and reduce loneliness and social isolation*
- j) steps that community, technology/social media companies, organisations, and individuals can take to reduce impact of loneliness on individuals and the community*

NCCs are vital, place-based social infrastructure that are already embedded in communities across NSW. They are actively reducing loneliness and social isolation in countless ways at the individual and community level.

Social connection through programs and activities

In LCSA's Member Census, 74% of respondents ran social inclusion groups. The highest responses were received for the following activities:

Information and Referral/Assisted Referrals	88%
Community Development Projects	76%
Social Inclusion Groups	74%
Art & Craft activities	73%
Events	73%
Health and wellbeing programs/activities	72%
Material Aid (incl. food, EPA Vouchers)	66%
Volunteer Program	65%
Public computer/internet access	62%

LCSA Census 2022

Health and wellbeing programs and arts and craft activities help increase the social connectedness of individuals. These universal, non-targeted activities allow lonely individuals to be invited into NCCs without having to qualify or be referred by government or other programs, making them effective early intervention tools to reduce loneliness.

In 2023, the UK Government released the Know Your Neighbourhood Fund to the tune of £30m (or \$58.8m AUD) to support local organisations in 27 disadvantaged areas to increase their work in connecting communities (UK Government press release, March 2023). Among many projects, organisations in receipt of this funding have used it to:

- hire a social prescriber to develop a range of activities to re-engage with people who have become isolated or lonely
- fund intergenerational weekly creative and artistic activities that culminate in a community carnival
- create a supportive place for people with disabilities to socialise and engage in activities such as crafts, cooking and woodwork.

Loneliness must also be addressed and evaluated at the community level. Running events open to the entire community is a common way that NCCs do this.

LCSA's Community Wellbeing Survey

In 2021, LCSA created a survey tool for member centres to measure wellbeing at the community level and form a community wellbeing snapshot. This contrasted with existing data tools in the program that measure individual wellbeing through casework and pre-defined individual outcomes. The survey was created as part of the Community Strengthening stream of the Targeted Early Intervention (TEI) program within Child Protection at the Department of Communities and Justice. The survey is for community members to complete, distributed through NCCs.

Community wellbeing is defined in the project as 'the collective sense of belonging, participation, trust and access to resources/services'. It is achieved through:

- **Increasing protective factors** such as local capacity, social support and resources
- **Decreasing risk factors**, such as miscommunication, disengagement, isolation / loneliness and trauma.

Good Community Strengthening, i.e. community development aims to engage community in the telling of their story, gathering the community knowledge and aspirations to design programs and support activities that lead to the change a community wants to see.

A report on the pilot of the survey found that in many communities there was a high level of a collective sense of belonging, participation, trust and access to resources/services in communities (LCSA 2022). Qualitative data showed strong themes relating to support from

neighbours, friends and local organisations, particularly during bushfires and the COVID-19 pandemic. The provision in the survey for people to share an example of their lived experience was greatly beneficial for understanding the stories of communities and the stories behind the data. That data is held by NCCs, contributing to their local knowledge and better equipping them to offer tailored solutions on emerging issues.

Given that loneliness is strongly associated with lower mental wellbeing, a survey like this is a useful tool for place-based organisations to monitor community wellbeing and increase opportunities for their community to socially connect through centre initiatives. While there currently aren't specific questions on loneliness, these could easily be added to the survey. A new community loneliness survey could also be developed using the community wellbeing survey tool as its basis.

A Victorian loneliness and social isolation measurement tool

Successful measurement tools on the impacts of NCCs in addressing loneliness and social isolation have been developed by peak bodies in Victoria and Queensland.

Research undertaken by NHVic used participant measurement tools to determine the social connection benefit of NCC activities. A survey of over 47,000 NCC participants found that 57% report benefits that relate directly to forming social connections (meet new people/make friends) and/or maintaining social connections (spend time with people) (Perry & Richards 2019). The table below outlines the proportion of program participants who reported social connection benefits of each NCC activity (NHVic 2019; as cited by NCQ 2021, p. 13).

Activity	Social connection benefit
Social groups	86%
Exercise/health class	61%
Support group	75%
Playgroup/childcare	69%
Advice/help	62%
Volunteer/student placement	62%
Course/class	59%
Job training	48%
Use a service	41%

NH VIC 2019

With better resourcing (as per LCSA's recommendation 3), LCSA could similarly roll out a survey for a robust NSW dataset.

Volunteering

Volunteering plays a major role in NCCs. Not only does this add enormous value to NCCs and communities, but it also creates significant opportunities for community members to

alleviate their loneliness and social isolation. Some studies have found that loneliness tends to be lower in people who volunteer (Flood 2005).

Despite less than half of LCSA members receiving any funding to train and support volunteers, each week **2,956** people volunteer at NSW NCCs, contributing **13,020** hours per week, at an annual replacement cost of **\$29.3m** (LCSA 2022; Centre for Volunteering, Value of Volunteering Calculator).

Partnerships

NCCs are well-embedded in local networks and have trusted partnerships with a range of community and other organisations, services and businesses in their local area. These partnerships enable NCCs to be robust holders of local knowledge about their communities, which is an incredible resource in addressing loneliness and social isolation.

In 2022, NCCs said they worked in partnerships with:

11 or more organisations	20%
7-10 organisations	15%
4-6 organisations	12%
1-3 organisations	10%

LCSA Census 2022

NCCs partnered with the following types of organisations:

- 92% other local community organisations such as youth services, family and children's services, crisis services etc.
- 86% local councils
- 85% local schools
- 78% locally-based government agencies e.g. Health
- 62% other businesses in the community
- 52% academic institutions
- 18% others, including: large volunteer organisations e.g. Red Cross, Lifeline; service clubs, local churches, local residential aged care & retirement village, RSPCA, Aboriginal organisations, employment organisations.

Social prescribing

Social prescribing enables organisations to refer people to a range of services that offer support for social, emotional or practical needs (UK Government 2018, p. 25). It is a key part of the UK Government's strategy to reduce loneliness. In that context, connector schemes employ individuals (link workers) who take referrals from local agencies (including GPs), and work with people to produce a tailored plan to meet the person's wellbeing needs. It helps to address loneliness by connecting people to activities and support within their local area.

By 2023, over 6,000 social prescribing referrals had been made in the UK. The UK Department of Health and Social Care will publish the evaluations of the primary care social prescribing model and roll out social prescribing in the NHS in 2025 (UK Government 2023).

While social prescribing is a newer term in Australia, NCCs are already engaging in social prescribing under other names. One example is Alcohol and Other Drugs services (AODs) that many NCCs run in partnership with local health districts. Nimbin Neighbourhood and Information Centre's (NNIC) first AOD was run in partnership with their health district, which was wound down in 2023. However, they were able to roll out a new AOD Hub, located at the centre, in partnership with a non-profit mental health service in the area (NNIC submission to this Inquiry).

NNIC has a longstanding relationship with their local GP clinic and hospital as a result of the AOD, regularly referring between one another. Clinical workers regularly refer clients into NNIC volunteering programs to build social connections, and many referrals from health services are for people suffering mental health issues that are primarily caused by isolation and a lack of social connections.

There is enormous potential for NCCs to be a central part of social prescribing in NSW.

Community development – genuine place-based co-design

Community development is key to building community strength and resilience. It is innately participatory and community-directed, and resulting programs, initiatives or events are more likely to be universal rather than means-tested. This contrasts with service delivery approaches, which usually sets the scope, goals, and target cohorts from the top-down, can be short-term and inflexible, and are usually rooted in a deficits-approach.

A community development approach to alleviating loneliness is both cost-effective in reconnecting the disconnected, and efficient in reaching people early through prevention. Ending Loneliness Together notes that we need to design and build safe environments for people to come together and interact, 'opening up pathways to engagement with community centres' (Ending Loneliness Together White Paper, p.21).

LCSA is supportive of Assets-Based Community Development (ABCD) which identifies strengths, assets and resources in local communities and activates them to address identified issues (Nurture Development). LCSA has promoted the Harwood Approach with its members, a type of ABCD (Harwood Institute).

While there is enthusiasm and willingness to increase place-based community development work among LCSA's membership, the sector lacks considerable resources in the areas of training, mentoring and research. Funding for community development is limited. Social policy changes are needed to ensure that inclusive, participatory methods of social response are delivered alongside service delivery models.

In its recommendations to this Inquiry, LCSA requests a Loneliness Investment Fund to address loneliness using place-based and locally led approaches (LCSA 2023). A one-off \$20,000 investment into every NCC would demonstrate to Government that NCCs, as essential social infrastructure, have the local knowledge and community development expertise to meaningfully address loneliness in their contexts (LCSA 2023). Such an investment could be rolled out quickly and efficiently through LCSA's network of 175 member centres.

The Queensland experience

h) developments in other jurisdictions regarding the implementation of policies and initiatives relevant to the treatment of loneliness as a public health issue

In 2021, LCSA's peak body counterpart in Queensland, Neighbourhood Centres Queensland (NCQ), mobilised over 50 of its members to make submissions to the Queensland Government's Inquiry into Loneliness and Social Isolation. Each submission made a recommendation to government to deliver core funding to NCCs to address loneliness and social isolation across the state in a place-based and responsive way, explained and illustrated through the diverse settings and experiences in each organisation.

In its final report, the committee recommended that the Queensland Government change to a core funding model for neighbourhood centres, in recognition of the central role NCCs play in reducing loneliness and social isolation (Inquiry report 2021). Recommendations of note are below. LCSA hopes that the Committee will make similar recommendations for NSW NCCs.

NCQ made a state budget submission in 2022 requesting core funding, citing the relevant recommendations made in the Inquiry report. In the latter half of 2022, the Queensland Government **delivered core funding to all NCCs in Queensland at \$230,000 per centre, per year** (NCQ 2022).

Recommendations from Queensland's 2021 Loneliness Inquiry Report

Recommendation 4

The committee recommends that the Queensland Government explore opportunities to place social work students in Neighbourhood and Community Centres across Queensland, to nurture university partnerships, build capacity of workers, attract staff and support programs responding to social isolation and loneliness.

Recommendation 5

The committee recommends that the Queensland Government review the funding model for Neighbourhood and Community Centres across Queensland including consideration of measures to help stabilise the workforce, retain corporate knowledge and help ensure centres are best positioned to meet the emerging needs of their communities in preventing and responding to social isolation and loneliness.

Recommendation 13

The committee recommends that the Queensland Government consider a consistent approach among neighbourhood and community centres, mapping services and programs available locally, to support place-based responses to social isolation and loneliness.

Inquiry into social isolation and loneliness in Queensland report, p. xiii – xiv

Funding NCCs: a statewide strategy to combat loneliness and social isolation

- j) steps the State Government can take to reduce the prevalence and impacts of loneliness in the community*

The most important step the NSW Government can take to reduce the prevalence and impacts of loneliness in communities is to provide a universal core funding model to NCCs in NSW.

As loneliness and social isolation increases in society post-pandemic, through the current cost of living crisis, acute housing crisis and rise of mental health struggles, NCCs are the most ideal social infrastructure to be leveraged to reduce social isolation and loneliness in NSW communities. NCCs welcome everyone, regardless of race, gender, sexuality, religion, age or social status and by their very nature build connections between individuals and organisations, particularly those who are isolated, vulnerable and disenfranchised.

Despite the enormous impact NCCs have in reducing social isolation in NSW, they currently receive no core funding from the NSW Government – one of the last states in Australia where this is the case.

NCCs are reliant on program funding which is often short-term and inflexible. The bulk of funding for centres is provided through government programs (82%) to deliver a range of specific services. These services are often detailed in contractual arrangements and often have little flexibility in the way they can be provided and to whom.

Program funding that NCCs receive from different levels of government (LCSA 2023):

- 19% Federal Government
- 58% State Government
- 5% from Local Government

This reliance on government program funding means that NCCs are limited in the services and activities that they can decide themselves to offer to the community. Often, this means that broader preventative and community development roles that NCCs can play are limited, as few government programs will specifically fund these functions.

Most NCCs have a limited capacity to generate their own funding through fees, donations or fundraising activities and rely heavily on government grant funding.

Core funding for NCCs

LCSA has created a core funding model based on 2.5FTE minimum staff required for a safe working environment for staff, volunteers and the community:

Core funding element	Cost per LCSA member organisation p.a.	Cost for 175 LCSA members p.a.
EO (SCHADS 8.1, 32h/wk)	\$120,901	\$21,157,719
Community Development Worker (SCHADS 5.1)	\$111,984	\$19,597,177
Admin worker (SCHADS 3.1, 15h/wk)	\$33,503	\$5,863,016
Operational contribution	\$50,000	\$8,750,000
Total	\$316,388	\$55,367,912

Core funding means that all NCCs can respond to social isolation and loneliness however it manifests in their communities, which we know is not uniform. Token solutions to loneliness and social isolation by “cookie cutting” more social groups across the state will

not address this epidemic. Local communities need to be empowered, through local NCCs, to unite and solve social issues together from the ground up.

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Appendix

These recommendations are based on LCSA’s Policy Platform, with figures updated based on the SCHADS Award increase in July 2024.

Recommendation 1

An annual Social Infrastructure Investment into existing and new NCCs.

- a. Annual core funding of \$316,388 per NCC, coming to an annual total of \$55.4 million for 175 NCCs across NSW**

Flexibly-applied core funding in all NCCs in NSW would enable NCCs to better meet the needs of their centres and their communities and guarantee their continued existence. It guarantees security of funding for staff, operational costs and core community development work.

Costs breakdown

Core funding element	Cost per LCSA member organisation p.a.	Cost for 175 LCSA members p.a.
EO (SCHADS 8.1, 32h/wk)	\$120,901	\$21,157,719
Community Development Worker (SCHADS 5.1)	\$111,984	\$19,597,177
Admin worker (SCHADS 3.1, 15h/wk)	\$33,503	\$5,863,016
Operational contribution	\$50,000	\$8,750,000
Total	\$316,388	\$55,367,912

LCSA advises that a base operational amount of 2.5 workers is required to safely run the key components of NCCs. This ensures NCC’s doors stay open and are safe environments for staff, volunteers, and visitors. **Hiring a community development worker at every centre would create employment for 160-180 people across NSW.**

- b. \$5 million Community Investment Fund: a one-off Fund to which organisations can apply to either top up their baseline funding or create new NCCs.**

Currently there is no funding available for new NCCs, which are needed particularly in growth areas of NSW. LCSA aims to undertake research about NCC ‘deserts’ across NSW to provide a robust picture across the state. There are also some NCCs that historically have not been funded by the NSW Government that would be eligible to apply to the Community Investment Fund.

Up to 15 organisations could apply to establish a new NCC based on the core funding costs outlined above. Some funding may go to existing organisations to top up their core funding on a needs-basis.

Overview of challenges in current funding environment

- Funding is often short-term and inflexible
- Most funding sources do not include funding for staffing, infrastructure or operational requirements
- Applying for funding is labour-intensive, a challenge for NCCs with stretched resources
- Not enough funding for community development work
- Inadequate staffing levels - many NCCs in NSW currently have only one staff member onsite per day, leading to either an unsafe working environment or closing their doors to the public at short notice
- No available funding to establish new NCCs in growth areas across NSW
- Social Infrastructure Investments could be delivered within the context of a formal partnership between the NSW Government and LCSA to enshrine place-based consultation with NCCs on relevant policy areas. Refer to Recommendation 1 in LCSA's 2023 Policy Platform.

A Social Infrastructure Investment **should not** come at the cost of existing program funding.

The current funding landscape

Findings from LCSA's 2022 Member Census. 108 LCSA members responded to the Census, 60% of our overall membership at the time of 180 members. 84% identified as NCCs.

How NCCs are funded

82% of funding for NCCs is provided through government programs to deliver a range of services. Of these funding streams, 58% comes from the state government, 19% from the federal government and 5% from local governments.

Most program funding is tied to specific service delivery requirements and often have little flexibility in the way they can be provided.

Staffing

Only 27% of NCC staff are full-time employees. One-third of NCCs lost three or more staff in a 12-month period.

Operational costs

Most NCCs are based in rented accommodation with almost 30% paying full market rent – almost double the number from 2020.

Just over half of NCC rent their accommodation from local government, down from 61% in 2020.

Recommendation 2

A one-off Loneliness Investment Fund of \$3,680,000.

- \$20,000 one-off project funding for 175 local organisations
- \$180,000 for project coordination by peak body, inclusive of a research and evidence component.

Loneliness is occurring at epidemic levels and there is currently no national or state level strategy to address it. Australians are more likely to have contact with and call on family and friends for help, but rarely look to their community for assistance, reflecting lonely communities.

Loneliness is not routinely monitored and consequently, not well managed.

The NSW Government can roll out a coordinated and comprehensive response to loneliness, for the first time in NSW, by investing in the social infrastructure network of NCCs. This investment will address loneliness through a coordinated, place-based approach that reduces the current burden on the health and social services systems.

The Loneliness Investment Fund would fund place-based and locally led loneliness projects and could meet Ending Loneliness Together's recommendations to 'develop and deliver system-wide frameworks' and to 'connect and empower people to take action'.

A community development approach is both cost-effective in reconnecting the disconnected, and efficient in reaching people early through prevention.

Current activities within NCCs include social group activities, one-to-one and group therapies, partnerships with local health providers and activities using information and communication technology. Evidence indicates that facilitating involvement in purposeful activities within a group environment is an effective strategy for reducing both social isolation and loneliness.

Recommendation 3

Fund two dedicated positions at LCSA to support capacity building of the sector at a cost of \$244,897 per year.

Cost breakdown

2 Sector Development positions (SCHADS 6.1 p.a)	\$212,780
On-costs	\$31,917
Total cost p.a.	\$244,697

LCSA is a small peak body and membership organisation with 3.5 FTE staff to support 175 members. Additional staff will be needed to support recommendations 1 and 2.

With extra staff, LCSA can support the roll-out of core funding to NCCs, support members to work within a community development framework and support members in best practices of disaster preparedness, response and recovery. Additionally, LCSA needs to be better resourced as a state peak to provide in-depth and accurate assistance to the government in planning, policy development and implementation.