

Attachment 1: Context - Reallocation of committed funding for short-term safety

Neighbourhood Houses Tasmania and the Network of Neighbourhood Houses welcome the announcement of the Independent Needs Analysis. We look forward to working collaboratively with Government to establish a shared evidence base on the needs, scope and practice of Neighbourhood Houses, acknowledging that much of this knowledge already exists within the sector.

We acknowledge the Government's willingness to work with us in supporting Tasmanian communities and focusing on shared priorities, and the responsiveness to our advocacy regarding the current funding environment and the situation facing Neighbourhood Houses, which we have outlined below.

Growth in Community Need

Neighbourhood Houses across Tasmania are experiencing unprecedented demand.

The latest data shows that 14.2% of Australians – 81,500 Tasmanians – are living in poverty.¹ Primary Health Tasmania estimate that one in five Tasmanians experience a mental health condition in any year.² In 2025, almost 3.5 million Australian households experienced food insecurity, with 20% of Australian households as severely food insecure – a situation compounded by the housing affordability crisis.³ We know that these statistics are interconnected: difficulty affording the basics has a negative impact on physical and mental health.

The data clarifies what Neighbourhood Houses are seeing on the ground: community need is becoming greater, and more complex. Longer waits to see specialist services and gaps in the system means Neighbourhood Houses are seeing a sustained increase in need for support across food relief, mental health, housing, family and parenting support, and crisis diversion.

This is not a temporary change. It signals a long-term shift in our communities, and the role Neighbourhood Houses play in supporting them. In 2023-24, there were a total of 28,388 community contacts across the network in an average week, equating to an average of 887 contacts per House per week. Compared to 2018-19, when there was an

¹ Davidson, P. & Bradbury, B. (2025) [Poverty in Australia 2025: Overview](#), Australian Council of Social Service (ACOSS) and UNSW Sydney

² Primary Health Tasmania (2025), [Data Profile – Mental Health](#)

³ Guerrero, A., Pole, D., and Kirby, E. (2025) [Foodbank Hunger Report 2025](#), Ipsos Public Affairs and Foodbank

average of 533 contacts per House per week, this is an increase of 66% over 5 years.⁴ Over the same time period, there has been an 18% increase in funding.

Value to the Community

Neighbourhood Houses are uniquely well-placed to meet this complex need in community. The Australian Institute for Family Studies defines community development as 'a process where community members take collective action on issues that are important to them.'⁵ Our work addresses complex community need through long-term engagement and connection - supporting individuals and communities to improve their own lives. We are often the first point of contact for Tasmanians living in vulnerable circumstances, helping individuals navigate complicated systems and avoiding crisis interventions. This not only changes lives but also saves public money.

Neighbourhood Houses exist across the spectrum of prevention. We provide connection and social cohesion, which is linked to better health outcomes⁶, better outcomes for children and families,⁷ and increased levels of resilience in the face of emergencies like floods or bushfires.⁸ Neighbourhood Houses provide early intervention for people in need of targeted support - through programs such as Eating with Friends and community pantries; access to family support and social workers; and a wide range of health programs.

The targeted, asset-based support we can provide is invaluable. Research from Neighbourhood Centres Queensland indicates that Neighbourhood Houses provide social return on investment of \$3.98 for each dollar invested⁹. Deloitte found a social return on investment of \$2.54 for every dollar invested in the Community Connector program - \$7.1m social return over the first two years of the program.¹⁰ Data from 2023 showed that in an average week, the Network of Neighbourhood Houses served over 1,011 meals; provided 1,382 frozen or pre-made meals; and distributed 5,117kg of unprepared food.¹¹

⁴ Data from Department of Premier and Cabinet's aggregated outcomes reporting for the Neighbourhood Houses Program.

⁵ Australian Institute of Family Studies (2023), [What is community development?](#)

⁶ World Health Organisation (2025), [Social connection linked to improved health and reduced risk of early death](#)

⁷ Australian Institute of Family Studies (2016), [Community Engagement: A key strategy for improving outcomes for Australian families](#)

⁸ The [Tasmanian Disaster Resilience Strategy 2020-2025](#) cites 'joining with others in the community,' 'supporting community organisations,' and 'forging partnerships' as key actions to be more disaster resilience.

⁹ Mundy, C. (2025) Neighbourhood Centres Queensland 2024 Sector Impact Report. Neighbourhood Centres Queensland

¹⁰ Neighbourhood Houses Tasmania (2023), *Community Connector Program Overview*

¹¹ Hankey, T. (2023), Neighbourhood Houses Tasmania Food and Community Needs Survey 2023, Neighbourhood Houses Tasmania

Being led by community means Neighbourhood Houses can respond to the needs and opportunities that are present. We are not criteria-based on a particular issue – we see a whole person and help them identify and address their needs.

Current Situation

Funding for Neighbourhood Houses has not kept pace with the scale and depth of the work required.

Despite their expanding role, Neighbourhood Houses are funded for the salaries of two workers. Additional funding to meet running costs and provide programs is piecemeal, complicated, short-term, and insecure - requiring constant advocacy and onerous administration and grant application processes. This model wastes time on administration, prevents strategic planning and limits capacity to respond to community need.

Most concerningly, having only two staff members is not safe. Our doors are open to everyone, always. We provide a safe space for people living in vulnerable circumstances, as well as for those who may cause harm. Managers regularly have to choose between whether to run with only one staff member, and carry the associated risks to staff and community safety should an incident occur, or close their doors. Sector analysis and feedback from House Managers confirm that safe and sustainable operations requires funding for at least four staff positions, along with essential operating costs.

The Crisis

Neighbourhood Houses have reached a critical financial tipping point. The current funding model is unsustainable and fails to reflect the scale and importance of the services provided. Boards are now facing difficult decisions about continuity, with some Houses already reducing programs or cutting opening hours due to financial strain. Without urgent reform, the future viability of Neighbourhood Houses is at serious risk, and closures are a real possibility.

While Neighbourhood Houses are not emergency relief services, they remain the trusted place communities turn to in times of crisis—now more than ever. This growing reliance underscores the need for immediate action.

We appreciate the Government's commitment to a comprehensive Needs Analysis, which will help shape long-term solutions. In the meantime, delivering all previously committed Community Connector funding in 2026/27 is an essential, cost-neutral measure to ensure safe and sustainable operations while that work is underway. This interim step will provide the immediate relief needed to maintain vital services and protect community wellbeing.