ATTACHMENT TO AGENDA ITEM

Ordinary Meeting

16 June 2015

Agenda Item 6.2   **Word and Mouth Review and Future Direction**

Word and Mouth Review of Operations, Outcomes and Structure

A review commissioned by Greater Shepparton City Council and the Fairley Foundation.

Abstract

This report provides an assessment of the impact and options for the future of Word and Mouth with a view to achieving the best outcomes for the young people of Greater Shepparton

Table of Contents

Introduction and Background

Mach 2 was engaged by Greater Shepparton City Council to undertake a review of the Word and Mouth organisation on behalf of Council and the Fairley Foundation, both of whom have been key funders from 2009 until present.

In 2009 Word and Mouth became independent of Greater Shepparton City Council as a Company, and as the 5-year agreement expires on 30 June 2014 a review of Word and Mouth is timely.

This report provides an assessment of various options for the future of Word and Mouth in order to achieve the best outcomes for the young people of Greater Shepparton.

The idea for Word and Mouth was initially outlined in a paper titled ' Young People Building Our Community: Young Shepparton 2002-2020.'[i] This discussion paper contained a development plan written in in association with the Greater Shepparton City Council and the Goulburn Murray Local Learning and Employment Network and provided a future blueprint for what was to become Word and Mouth.

Word and Mouth was first established in 2003 as a Greater Shepparton City Council Business Unit to;

 'Provide opportunities for young people in Greater Shepparton to engage each other, lead community conversation, and contribute to building a creative, responsive, youth-friendly City.'[ii]

In partnership with the Fairley Foundation, Word and Mouth was originally formed within Council with the support of the State Government Department of Planning and Community Development (DPCD), previously known as the Department of Victorian Communities (DVC).

In 2009 Word and Mouth separated from Council to become an independent youth led and driven organisation with its own Board comprised of primarily young people aged 18-25 years. Its mission established that;

'Word and Mouth will provide a voice for young people in Greater Shepparton to lead, engage, create and shape their communities.'[iii]

Word and Mouth aimed at engaging young people from diverse backgrounds in governance and volunteer positions and ensuring high level youth participation and leadership development in Greater Shepparton. Its objectives emphasized the importance of providing opportunities for advocacy, leadership, good governance, diversity and building partnerships in the youth sector

Scope

To address and review:

- The impact and achievements of Word and Mouth in relation to the aims at the time of separation from Greater Shepparton City Council.
- The contribution and ongoing value of the organisation to the wellbeing of Greater Shepparton's young people.
- Examine alternative structure/operating models for local government youth services in operation elsewhere to ascertain the factors leading to their success.
- The long-term financial sustainability of Word and Mouth as an independent entity.
- The outcomes of Word and Mouth against the original objectives established for the organisation.

Project Objectives

The objective of this review is to make recommendations to ensure the ongoing value and sustainability of Word and Mouth, or more specifically;

1. The most appropriate model/structure for the future management of services for young people in the Greater Shepparton City Council, taking into account the goals of both the Council and the Foundation.

2. Subject to the outcomes of objective 1 (above), the most appropriate governance, operational and financial structure for the continuation of Word and Mouth and the most appropriate delivery structure for services for young people.

Methodology

The methodology adopted for this review combined the following core elements:

- Consultation with key stakeholders involved a mix of one to one and phone interviews with a wide range of stakeholders, including Word and Mouth Board members, staff, funding agencies, clients involved in receiving services and other agency staff that partner with Word and Mouth to deliver events and workshops. Some interview subjects were approached for interview while others approached Mach 2; in total fifteen people were interviewed for this review.

- An evidence-based approach to benchmark the relative need of Greater Shepparton's young people and level of investment in services.

- An Issues Paper distributed to workshop participants prior to the workshop to stimulate discussion.

- A workshop with key Word and Mouth stakeholders, which was attended by participants representing the Word and Mouth Board, youth committee, staff, Council and Fairley Foundation.

- Presentation of draft report to key stakeholders.

- Preparation and submission of a final report.

Our methodology is illustrated below:

Preliminary	• Identify key stakeholders • Develop workplan & consultation plan
Research	• Research key reports • Review outcome data for young people
Consultation	• 1:1 interviews & phone interviews • Stakeholder workshop
Report	• Follow up discussions and draft report • Final report

In summary, the methodology chosen for this project could be described as consultative, participative and research-oriented.

Young People in Greater Shepparton; Snapshot of Data

There is a large pool of demographic data on the Greater Shepparton community that is a reflection of not only government data but many years of active involvement by the philanthropic sector. For the purpose of this review a snapshot of youth demographic data is provided below that has a direct bearing on the work of Word and Mouth, drawn from the report 'Shepparton: the needs and issues for philanthropy'.[iv]

- Young people in Shepparton have lower levels of literacy and numeracy than Victorian and Australian students on average, lower school retention and completion rates, and lower university enrolments.
- Indigenous educational outcomes are particularly poor.
- Students from LOTE (Languages other than English) backgrounds perform as well on average in literacy and numeracy tests as their non-LOTE peers.
- A relatively high proportion of employment in north-east Victoria, including Shepparton, has traditionally been in unskilled and semi-skilled jobs in manufacturing (food processing) and agriculture. Employment in these sectors has declined over the past ten years.
- By contrast, the education, health and community services sectors are growing and employment opportunities in these sectors increasing. These jobs require higher levels of education and skills. However, the regional population has a relatively low average level of educational attainments compared with Victorian and Australian averages.
- The socio-economic status of the population is also relatively low.
- The general health and well-being of most young people in Shepparton is good in most respects, except in some areas of education, teenage unemployment, teenage pregnancy and crime rates.

Further, the most vulnerable groups in the Shepparton community are;

- Young people in out-of-home residential care
- Educationally disengaged young people
- The Indigenous community
- Female-headed one-parent families with dependent children
- People with moderate to severe disabilities
- Some, not all, culturally and linguistically diverse groups, notably recent migrants and refugees.

While the data paints a somewhat alarming picture of youth in Greater Shepparton, it is only part of the overall picture. It does however raise the question of what impact Word and Mouth is having on young people in the Greater Shepparton community, something this report will address.

Local Government's Role in Youth Services

In general, the role of Council is very distinct from that of other service providers within the youth sector, many of which focus their services on specific issues and needs of young people. Add to this the fact that youth services are generally less financially supported by State and Federal subsidies (than other human services) and less constrained in terms of the structure within which these services are delivered and funded, therefore more likely to emerge through locally driven initiatives aimed at responding to perceived service gaps and needs. Hence, for many years there have been debates within the local government sector about where councils' effort (and financial resources) can be most effectively applied to deal with the significant challenges and issues facing young people.

In Greater Shepparton alone, there are more than a dozen agencies that focus on youth, with expertise in areas such as family relationships, health, employment, mental health and justice. In this overlapping and sometimes disconnected mix of services, councils must build partnerships in order to add value to the youth sector. The role of council in the youth space consequently varies widely, depending on factors such as identification of need, wider youth sector services and of course budget constraints.

In what is a rather unique relationship, Word and Mouth operated as a business unit within Council from 2003 until 2009, before a planned pathway that led to its status as an autonomous entity. While much of detailed history is lost due to staffing changes and piecemeal documentation, what is clear is the innovative and unique nature of Word and Mouth when it was first established. While a youth led and youth focused organisation is not a new concept, there are very few functioning models that have survived past infancy. The conviction and courage of its founders must be acknowledged, as well as the young people who have ensured a fledgling organisation with limited funding has survived over five years of challenges, with books balanced and a solid reputation in the community.

Since 2009 Council has continued to have a solid partnership with Word and Mouth, despite Council having little formal role beyond that of funding partner. Whilst the two organisations work independently there are complementary strategies that Council and Word and Mouth leverage from one another. Both organisations are committed to supporting young people within the community, ultimately leading to better outcomes for young people.

In early 2011, Council employed a Community Youth Development Officer who has a role within the local youth space of strategic leadership, coordination and facilitation. The development of the Greater Shepparton Youth Strategy and Action Plan 2012 – 2015 [v] - the first of its kind for Greater Shepparton City Council, confirms the role of Council in supporting young people and the youth sector. It is worth noting that when Council undertook a number of consultations with young people in August 2011 to ensure that the views and opinions of young people were reflected in the strategy, Word and Mouth provided considerable support and expertise.

In 2011 the Municipal Association of Victoria (MAV) conducted a statewide survey of

all 79 Local Government Areas (LGA) to record the extent of their involvement in supporting children and young people in each municipality. The survey resulted in the report 'Victorian Local Government Support for Children, Young People and Their Families.'[vi] While this survey was by no means exhaustive, it does have some interesting findings to benchmark Greater Shepparton City Council's contribution to youth services.
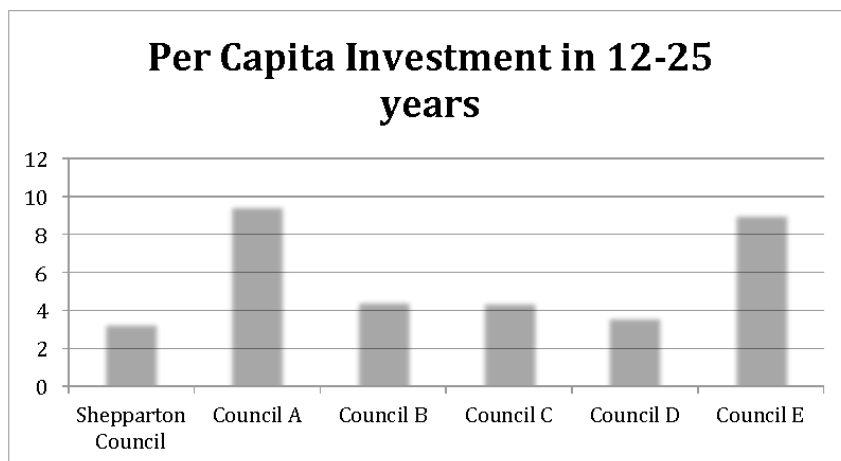
- There are major differences between rural and metropolitan councils, presumably reflecting differences in population size and budgets. Overall, as might be expected, rural councils have lower recurrent expenditure to support young people than metropolitan councils with their larger populations and budgets. All 34 councils (out of 79) that nominated recurrent annual expenditure levels in the lowest category, the nil to $250,000 range, were rural councils.
- Like Greater Shepparton City Council, the majority of councils have multiple mechanisms to promote coordination and integration of services, with three-quarters or more of councils identifying three mechanisms: facilitating community connections, facilitating local service networks, and the existence of a strategic broad plan to support young people.
- Most Councils reported support for music/cultural events and education and training. A majority of councils also supported programs at recreational facilities, leadership programs, youth festivals (not music/cultural) and cultural programs/events.
- Most Councils, particularly those located in rural/regional areas, have moved away from direct service provision (case management focusing in particular on vulnerable youth) and were engaged in facilitation and building partnerships. Those who were still providing direct service tended to be in areas of very high need or in rural/regional areas beyond the geographical coverage of existing non-Council youth services.

In consulting with other similar rural and regional Councils for this review, it is very clear that Council contribution to the youth sector is variable and subject to a wide range of influences. However, a majority of Councils reported support for music and cultural events, education and training, leadership and recreation for young people. Many Councils had youth advisory committees or programs developed to meet specific needs, such as young mothers or LGBT support groups. Of note is the very high turnover of youth related Council staff, which can create challenges with continuity as well as impacting on the credibility of councils in the youth sector.

It is difficult to highlight an ideal model of youth service delivery in local government, with most delivering some variation on the same theme. A proposed model highlighted during consultation is a 'multi-agency youth space', an idea that has been discussed in Greater Shepparton for some years. This type of service is far more common in metropolitan councils than rural or regional councils, at least in part due to the budget constraints of non-metro councils. Most 'youth space' models seem to have quite a formal structure, often with a focus on providing activities or entertainment for young people. Perhaps the most interesting leading edge model is in Hobart, representing a huge investment in Hobart's 12-25 year olds. The Youth

Arts and Recreation Centre, or Youth ARC, is an institution among Hobart's young people and has undergone many changes in its 11-year history. The Centre caters for up to 225 people with a range of facilities including an art studio, art gallery, music studio, kitchen, versatile recreation space, a performance stage with a PA system and is available to a range of user groups and community partners. From all reports it is an extraordinarily successful model but one that has taken significant time and investment to realise. It is a model that would be well worth exploring further as it has a particular focus on facilitating youth involvement in music and the arts.

As a very simple benchmarking exercise, below is a representation of the per capita investment in youth expenditure across a small sample of regional/rural Victorian Councils. This is included with some trepidation with the proviso that it is only intended as a very simple comparison rather than any in-depth reflection of overall Council commitment. What is clear is that Greater Shepparton City Council sits firmly at the lower end of financial investment in youth services per capita.

Per Capita Investment in 12-25 years

Council	Value
Shepparton Council	~3
Council A	~9.5
Council B	~4.3
Council C	~4.3
Council D	~3.5
Council E	~9

Discussion of Key Issues and Themes

Consultation for this review identified themes around the key question of;

What is the Purpose of Word and Mouth?
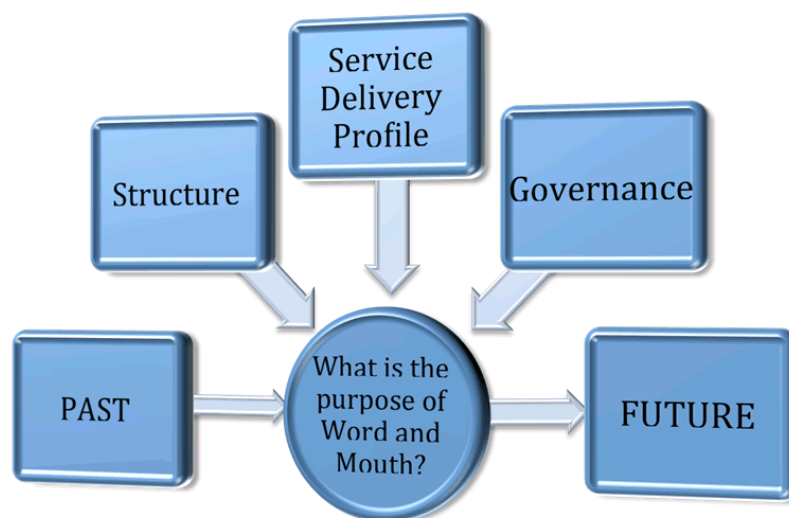
The current mission statement suggests that;

'Word and Mouth will provide a voice for young people in Greater Shepparton to lead, engage, create and shape their communities'

Throughout the consultation, while there was little question as to the accuracy of this statement, the concerns expressed reflect *the extent* to which Word and Mouth is currently expressing this mission. Despite great commitment to Word and Mouth, for many it had "lost its dynamism", was "weighed down with issues of corporate governance" and had "lost its capacity to be a local voice for young people." The question of the ongoing value of Word and Mouth is a critical one and must be separated from complex challenges that have limited it in the past, including a small funding base and subsequent low staffing levels and in particular, ongoing governance issues.

While there is considerable data concerning outcomes for young people in Greater Shepparton, it is difficult to draw any direct links between provision of a service like Word and Mouth and better outcomes for youth. Ideally, there would be solid data that reflects the impact that Word and Mouth has had on the trajectory of young people's lives in Greater Shepparton. The reality is that even with a high level of investment in measuring outcomes, it would be difficult to directly attribute outcomes for young people (health, wellbeing, economic and lifestyle) to any specific Word and Mouth initiatives. Irrespective of this complexity, while there is a

wide range of reports generated by Word and Mouth over several years, there is very limited formal data collection that tells us *what* Word and Mouth has achieved, *who* has benefited and thus *why* it should continue to be supported.   It is clear that data collection must be prioritised in order to quantify the results achieved by Word and Mouth, and demonstrate the value of further effort and investment by Council and Fairley (and other potential funding).

The other reality that must be acknowledged is that to set up the necessary systems required to monitor performance (against defined outcome measures) and report to stakeholders/funders is a corporate function that itself requires executive capacity and resource depth. These are both areas in which Word and Mouth has been limited in.

Overall, the interviews conducted for this review, both internally with Word and Mouth and externally with community partners, reflected a high level of satisfaction with Word and Mouth and recognition of its ongoing value, as well as suggestions for its future.

Looking at what Word and Mouth has achieved in relation to the aims at the time of separation from Greater Shepparton City Council is a mixed story. Despite some fairly significant barriers, it has achieved progress on its strategic objectives, although there is still much work to do.

A reflection on issues must acknowledge the difficult and drawn out departure of the previous Executive Officer in 2013. This created considerable stress for many of the staff and Board (*although interestingly there was little evidence of this in interviews with those outside of the organisation)*. The reasons for this situation were complex and beyond the scope of this review but a few things stand out

- The young people involved had conducted themselves with great maturity and wisdom, drawing heavily on support from the older Board members.
- For many the situation had come with considerable stress but also great learning.
- The conflict that arose highlighted the need for improvement in a range of governance issues as well as highlighting some of the pressures created by the current structure.

Several key recommendations in this report are a result of this learning. All Board members, in particular, must be commended for staying engaged through the process. Managing in an environment of such destructive conflict has been challenging for many of the younger Board members, and it is understandable if some have assumed that the entire Word and Mouth model is fraught with problems.

On a positive note, while the consultation revealed much that was currently not working in Word and Mouth, there was agreement on several key strengths – the things that Word and Mouth either currently does well, or given the right circumstances, should do more of.

These were;

- Provide an opportunity for young people to participate in a youth led and youth governed organisation.
- Advocacy on important issues that impact on Shepparton's young people – this includes being a 'go to' organisation when local opinions are required.
- Foster and build relationships across the community, including between agencies, with schools and the wider community.
- Provide events that both enable skills based experience for young people to organise *and* provide entertainment for young people who participate.
- Provide social forums as a platform for youth voices to be heard on important issues such as government policy, social media, mental health etc.
- Offer opportunities to develop leadership skills, both for Board and Youth Committee members and those participating in Word and Mouth activities.

Some of the more distinct issue will be discussed under the separate themes of structure, service delivery profile and governance below.
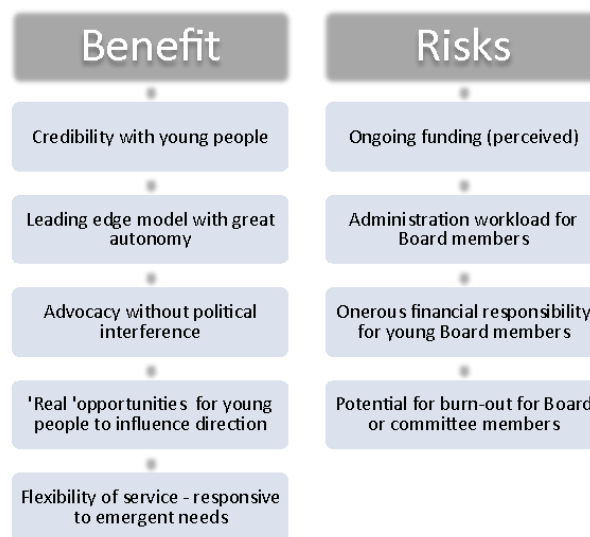
Structure of Word and Mouth

In seeking the most effective structure for Word and Mouth in the future, two clear alternative models emerged; that is

1.   Remaining as an independent organisation governed by a Board; or
2.   Merging, or being absorbed into Council operations.

Other models were mentioned throughout the project (including being merged with other non-Council organisations) but these were not addressed in detail.

Each model examined has its own benefits and risks, represented below.

Perceived benefits and risks of remaining an independent organisation led by a youth Board:

Benefit	Risks
Credibility with young people	Ongoing funding (perceived)
Leading edge model with great autonomy	Administration workload for Board members
Advocacy without political interference	Onerous financial responsibility for young Board members
'Real 'opportunities for young people to influence direction	Potential for burn-out for Board or committee members
Flexibility of service - responsive to emergent needs	

Mach 2 Consulting (2014)   13

Perceived benefits and risks of merging with Council:

Benefit	Risks
Less administration workload for Board (e.g. governance, HR)	Potential for loss of credibility with young people
Perceived inreased security of funding	Political vulnerability - interference in advocacy
Access to funding available in local government sector	Council office inaccessible to young people
Job security for staff	Less opportunity for philanthropic funding

In reviewing key documents and reports on Word and Mouth since it was first conceptualised in 2002, it is clear that each stage of its development has been accompanied by its own emergent challenges, both as an internal unit in Greater Shepparton City Council (2003-2009) and as an independent organisation (2009 to present). While there have been periods of relative calm, these have been interspersed with ongoing challenges, both big and small. This is a useful perspective to emphasize, particularly for those currently involved in Word and Mouth to remember. As one interviewee described, "there is the ideal picture of how we want things to be and then there is the shortfall that is the practice of everyday life." While there is a temptation to attribute current issues to its independent structure, the longer-term perspective of some participants is valuable in recognising that many challenges existed before independence.

After consulting with participants in Word and Mouth (including Board, committee and staff members) it is clear that remaining independent is seen as an important philosophical position for a youth led organisation. Where opinions differed was at the point where philosophy meets real life; in particular the reality of being responsible for running all aspects of an autonomous organisation weighed unequally on different participants, depending on their role. Some had made the difficult decision to advocate for merging because being responsible for the business operations had simply become too much in their already busy lives. Others viewed independence as central to the identity of Word and Mouth and struggled to see how this identity could remain under the wing of another organisation.

Many of the issues concerning the independence of Word and Mouth relate to insecurity of funding. One of the early key performance indicators was ' to identify and secure appropriate funds to meet organisational and event costs on an ongoing basis' and this has clearly not been achieved. It was suggested during consultation for this review that limitations on current funding for Word and Mouth are due to it not being registered with deductible gift recipient status (DGR). With DGR status,

Mach 2 Consulting (2014)   14

donors can claim a tax deduction on donations made to organisations that are endorsed as a DGR recipient. However, gaining DGR status is not simple or assured as eligibility is defined by tax law, with only certain types of organisations able to apply. It requires a lot more than just being able to prove not-for-profit status or worth to society. It does appear that DGR status was sought in 2013 but was unsuccessful. If Word and Mouth remains independent, DGR status is certainly worth pursuing. However, in 2013 Word and Mouth *was* granted a two year donation account by the Foundation for Rural and Regional Renewal (FRRR), which is a not-for-profit organisation that harnesses the power of collective investment between government, business and philanthropy to improve the lives of those living in rural, regional and remote Australia. As the only Australian organisation offering small, discretionary grants, FRRR is an important conduit for philanthropy to rural and regional communities. Through their DGR status, FRRR can also receive donations from non-charitable organisations and provide tax-deductible receipts; these funds are received into the FRRR Public Fund. So it does appear that there are structures in place to enable Word and Mouth to secure philanthropic funding, if an independent model is pursued.

A further structural change raised during consultation is the value of establishing a multi-use youth space in Greater Shepparton that would enable young people to access multiple services and meet together in a youth friendly space. As mentioned previously, Hobart's Youth Arts and Recreation Centre (Youth ARC) could be considered the Rolls Royce model of a youth space, and there is considerable scope for Word and Mouth being at the forefront of initiating a similar concept. It is likely that with the right mix of philanthropic and government seeding, a project of this nature could be realised in Shepparton. In the short term, a separate office space is vital for Word and Mouth operations. In the longer term, irrespective of whether Word and Mouth remains an independent organisation or merges, committing to a separate multi-use youth space could be the beginning of achieving a bigger dream.

However, if merging with another organisation is the preferred option, it is the consultants view that Greater Shepparton City Council is best placed to oversee and auspice Word and Mouth. If this path were to be pursued, it is also our strong view that it would be necessary to set up, through some means, an 'arms-length' structure that allows Word and Mouth to continue with a level of autonomy in relation to the day-to-day aspects of its program delivery. In other words, it should not just be integrated within the mainstream Council management and organisational structure to the exclusion of input and decision-making by the young people who are currently directly involved in Word and Mouth governance.

If this were to occur the Board that has governed the organisation for the past five years would be wound up. In its place an advisory committee could be formed to help guide Word and Mouth as a business unit in Council; one option could be the formation of a Section 86 Committee. Under Section 86 of the Local Government Act (1989) a Council may: 'By Instrument of Delegation, delegate any of its functions, duties or powers under this or any other Act to a Special Committee'. As with any Council business, records must be maintained as required by the Local Government Act, namely minutes of meetings and appropriate financial records. If this option

were chosen, Greater Shepparton City Council would delegate its authority under Section 86 of the Local Government Act.

A Section 86 committee has no legal responsibility and functions largely in an advisory capacity but would operate within the terms of its delegated authority. A Terms of Reference would be prepared to define the delegated authority and provide a degree of certainty regarding conduct of the committee and signal Councils good intention regarding recommendations made by the committee.

Considering the effectiveness of the current Youth Committee, it is also recommended that if Word and Mouth is merged into Council, every effort is made to retain the Youth Committee as an integral part of the Word and Mouth model. Current members of the Youth Committee could be formally invited to continue their service on the newly established Section 86 committee or operate as a separate Youth Committee under the Section 86 committee, ensuring a smooth transition from the old model to the new. The Word and Mouth project officer would continue to mentor and support the Youth Committee in its new form to facilitate this transition.

Service Delivery Profile

The consultation conducted for this review clearly indicates that Word and Mouth is seen as a unique organisation in Shepparton that has filled a vital space in the delivery of youth events. Word and Mouth is recognised for expertise in designing and delivering youth events, based on a strong partnership approach engendered by the Board, Youth Committee and the Word and Mouth project worker.

The question of what services Word and Mouth should be engaged in delivering is not a new question. It has been re-examined through its years of operation and it points to the difficult reality that youth work has a very small window of opportunity; just as young people are developing confidence and ready to step up into a Board or committee role with Word and Mouth, they are also having to make critical choices for their future, such as moving away from home for education or employment and considering what their adult life choices may entail. While the Freeza funding focuses on 12-25 years, it is really the years between 14-18 that are critical to Word and Mouth and it is the events that Word and Mouth offer that are attractive to this age group. It is thus the consultants opinion that the events stay as a key part of the Word and Mouth delivery mix for a number of reasons; it is a role that Word and Mouth is well skilled to provide, it provides entertainment for youth as well as a hook for further involvement and it enables key development opportunities for Youth Committee members and young people who volunteer from the wider community.
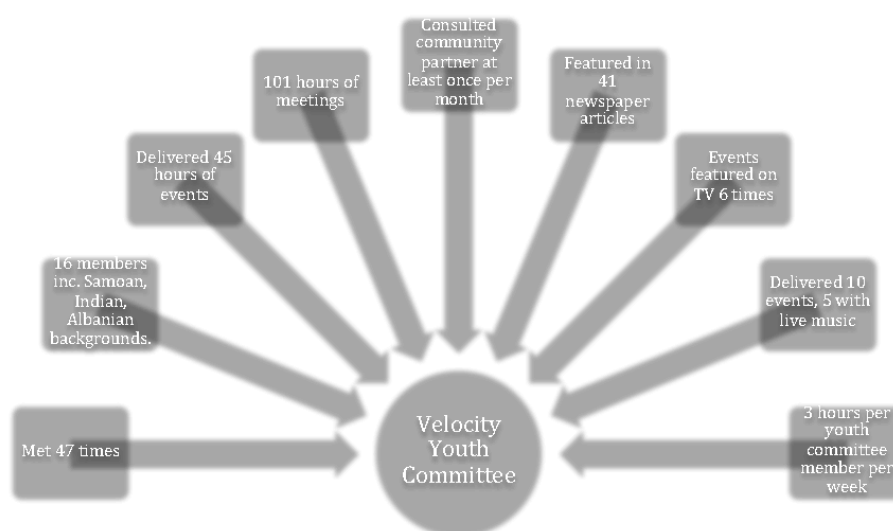
Events aside, where Word and Mouth is perceived to be 'failing to deliver' or not meeting its objectives is primarily in the areas of advocacy and leadership. Other concerns include lack of cultural diversity and limited reach with vulnerable youth.

Advocacy

The role of advocacy is one that has been central to Word and Mouth since its inception. Those involved in Word and Mouth's earlier existence (pre 2009) recall

the popular social forums to give a voice to young people, something that is currently limited to schools. While this idea is worth pursuing, it is also clear that there is current advocacy work being undertaken by Word and Mouth, but it is often under the radar, is perhaps not classified as high impact and importantly, is not being clearly reported on. While advocacy can be on a large stage, it also encompasses the many ways the youth committee represents the voice of youth in Greater Shepparton – from consulting on council signage, environmental sustainability, community consultations in small towns, discussions on a proposed skate park, discussing health concerns with GV Health –just a sample of the ways that the youth committee is advocating for youth in a practical and ongoing way.

Representation of work conducted in 2013 by the Velocity youth committee, clearly indicating a productive and effective group.

Leadership

Another main area of interest where Word and Mouth is perceived as lacking is in the area of leadership. Traditionally, leadership may often be seen as 'doing courses' or 'training'. While this is important, it is only one part of the potential for developing leadership. There is a great opportunity for exploring ways that Word and Mouth can further facilitate personal leadership development for Board, youth committee and staff, rather than only focusing on leadership as an output in activities for youth (which would take much greater resourcing and expertise). Some local organisations in Greater Shepparton are already involved in delivering leadership training and it may be worth exploring how Word and Mouth can leverage opportunities for participation. At some time in the past the Fairley Leadership offered a young person from Word and Mouth a position in their leadership course; while there is no longer a relationship between Fairley Leadership and the Fairley Foundation there may still be opportunity to rebuild this partnership. Similarly, there are other leadership programs both locally (Building a New

Generation leadership program focused on refugee youth run by GMLLEN) as well as others in the wider northeast catchment (Mittagundi) that could be offered to interested youth on the Board, youth committee or volunteers with Word and Mouth. If funding was secured it would not be difficult to provide some leadership training to the Board, youth committee and staff.

As noted previously, the lack of focus on data collection in Word and Mouth activities makes it difficult to comment with any degree of accuracy on concerns about where Word and Mouth is failing, and highlights a clear need in the future. Data collection (both quantitative and qualitative) must be a priority for Word and Mouth in the future, regardless of the eventual form that Word and Mouth takes. Similarly, developing appropriate strategies for sharing this information with community partners, funding bodies and council is of vital importance.

Anecdotally, many stories have emerged of young people in vulnerable situations being inspired and sustained through their involvement in Word and Mouth, and taking leadership positions within the youth committee, leading to greater success in their personal and professional lives. Clearly there is a need for Word and Mouth to devise strategies to capture these stories and share them as it is unclear how much of this criticism is fair and how much is a reflection of outcome data not being monitored or appropriately shared. However, what is evident is that with the right resourcing and a clear direction, these gaps can be addressed.

It is worth pointing out that limited executive capacity and resourcing for staff is at the heart of many of these issues. Word and Mouth only has one project worker who is already delivering a suite of events as well as working with a youth committee, facilitating the broader role of the youth committee in advocacy work and making himself available to issues that arise in the lives of young people. Add to this the unsuccessful appointment of an Executive Officer in 2013 and it becomes obvious that there has been little space or time for the business development required.

Also of interest is that consultation revealed a sharp division in perceived failures of Word and Mouth. While there was general agreement among those involved in the running of Word and Mouth (Board, youth committee and staff) that advocacy and leadership were not being done well, external agencies were consistently positive in their appraisal of the things that Word and Mouth does well, and less clear on what the gaps may be.

Governance

Word and Mouth currently operates with an 8 member Board of Committee, with 6 Youth Directors and 2 'Community' Directors, who contribute in an advisory capacity as 'mentors'. The Board meets once a fortnight for one and a half hours.

As well as overseeing Word and Mouth's governance, the Executive Board sets the direction of the organisation, develops and implements strategies, and ensures that young people and their interests are represented. The current Board composition is restricted by the Constitution that states that 'Word and Mouth is governed by a Board of Directors comprising of 10 Youth Directors aged between 18 and 30 years of age and two community representatives.'

The youth committee currently consists of 14 people under the age of 25 who meet once a week for 2 hours. The youth committee, currently called 'Amplify', are involved in the day to day activities and events organised by Word and Mouth, as well as acting as 'youth advocates' for a range of local projects that require a youth perspective.

While the collaborative nature of the Board is a positive aspect, a number of challenges have intensified since Word and Mouth became a legal entity in 2009, separate from Council. These include;

- Overwhelming focus on issues of governance.
- Little support for administration that was previously provided in Council, in particular HR and recruiting.
- Lack of organisational policy or procedures when first established and the ongoing attempts to 'catch up'.
- The disproportionately heavy workload that rests with the Chair.
- The relative youth and inexperience of the Board and heavy reliance on two 'mentors' to support them.
- Lack of DGR status that restricts access to some philanthropic funding.
- Tight funding arrangements that have left little room for organisational development.
- Staffing issues.
- Lack of resourcing to address issues of future funding.

These issues have resulted in a limited capacity of the Board to consider issues beyond the scope of ensuring good corporate governance, to the detriment of other responsibilities of operating a business. The difficult departure of the Executive Officer in late 2013 created an enormous amount of stress for Board and staff and apart from the ongoing events program managed by the project worker and the youth committee, all other work came to a halt for several months. Fortunately, as a separate entity the youth committee has been able to function effectively through this time due in part to the solid support provided by the Word and Mouth project worker.

While the purpose of Word and Mouth is clearly about young people, the contribution of the two 'older' members of the Board must also be acknowledged, as well as a handful of key 'elders' who have provided ongoing support since the

beginning. It is evident that while the organisation must be youth driven and youth focused, there is enormous potential for improving the support and involvement of 'elders' in the operations of the Board. Either widening the Board profile and/or establishing a 'Council of Elders' or similar model would enable the Board to seek prompt support and expertise from known supporters and pursue mentoring for specific individuals or skills. Consultation in the wider community revealed a significant network of Word and Mouth 'graduates'; those who had participated in activities in their younger years and were now pursuing careers in their adult lives. This represents an untapped resource for Word and Mouth at many levels, from Board participation through to funding opportunities.

A change in the Word and Mouth constitution may be required in order to widen the scope to appoint older, more experienced directors to the Board.

Funding and Financial Sustainability

The Word and Mouth Audit report of the financial statements for the year ended 30 June 2013 state that the financial statements have been prepared in accordance with accounting standards and present a true and fair representation of the company's financial position and performance.

At balance date 2013, the company had net assets of $117,933, including a cash 'safety account' with a balance of $45,757.

Word and Mouth has sufficient funds to continue operations in the short term. The balance of the safety account as at 30 June 2104 is $59,319.14, with a further $15,196.57 in the trading account. Since the departure of the Executive Officer, financial outgoings have reduced.

However, the future financial viability of Word and Mouth remains wholly dependent upon the ongoing support of its key funders (City of Greater Shepparton and the Fairley Foundation) from whom firm ongoing commitments are yet to be obtained. It is understood through discussions with the City of Greater Shepparton that it has made budgetary provision to continue support for Word and Mouth for at least the next 6 months (to 31 December 2014) hence, the financial situation and intentions of funders beyond that time needs to be resolved and committed within the next 4-6 months)

Since its inception Word and Mouth has been funded by Greater Shepparton City Council ($100,000 plus in-kind support) and Fairley Foundation ($50,000 p.a.), with smaller contributions from other parties. It also receives State Funding for the Freeza program. Despite its early agenda and aim to attain financial independence, this has not occurred and is unlikely to in the short term.

Word and Mouth generates limited income from attendance fees at events organised but this is insignificant. As an organisation targeting young people typically with limited independent financial resources, it is not considered appropriate (or realistic) for it to seek to cover any significant proportion of its total costs from event attendance fees. Word and Mouth attracts project sponsors for its events, actively collaborating with a range of community organisations for different programs and events.

As a result, Word and Mouth is an organisation that is dependent on external funding sources. It can only sustain itself financially in the future whilst it retains the confidence of the funding partners. To do this, it needs to satisfy and demonstrate to the funders that it is delivering value for money and/or operating according to the terms of the funding agreement. To this end, performance monitoring (according to key program delivery/outcomes measures) and reporting will be critical to maintaining the confidence of funders into the future.

Of more relevance, in terms of Word and Mouth finances, is the issue of its total resource capacity. As stated earlier, it appears (based on the desk-top analysis undertaken) that the absolute level of funding for services for young people in the City of Greater Shepparton is relatively low (measured in per capita terms) compared to other similar local government areas.

As stated, the autonomous organisational structure of Word and Mouth is innovative and, arguably, beneficial. But what goes with it is a certain base (or 'flagfall') cost structure that is required just for the organisation to exist and function, before it delivers a single program or event hour.

Hence, it is the consultant's view that, in the event that the current autonomous operating structure is continued, then the base corporate and organisational costs associated with this delivery structure need to be recognised and reflected in funding provided by the partners. Funding available for direct program delivery (over and above base corporate and governance costs) should at least be generally reflective of funding levels (per capita) directed to services for young people in similar local government areas.

It is the consultant's view that the level of commitment of the Greater Shepparton community generally to meeting the needs of its young people can be equated with the level of investment the community makes in responding to and serving those needs.

Accountability and Reporting

Ongoing accountability for expenditure and outcomes has occurred through quarterly reports submitted to both the Fairley Foundation and Council. Neither party has had Board representation and attendance has been sought by invitation only. While this has minimised any risk of undue influence, it has also created a lack of transparency and particularly in the case of Council, which is subject to community perception, a feeling of mistrust. It is the consultants' view that greater opportunity for involvement of Council or other partners in future would be of great benefit. While this can increase the risk of undue interference, it can also broaden the expertise on a Board and distribute the workload.

Executive Officer-Board Relationship

The other issue that is worth noting is the nature of the relationship between the Board and the Executive Officer of Word and Mouth. Successful organisations require a strong and trust-based working relationship to be established between the Board (led by the Chair) and the Executive Officer.

Including the most recent unsuccessful EO appointment, it is evident that there has often been a tension between the Board and the Executive Officer at Word and Mouth. This has impacted on the level of trust between parties and undermined the functionality of the organisation. Previously, the Executive Officer has only been invited to participate in Board meetings for a short time, leaving the Board to discuss many critical issues with limited input from the Executive Officer. As well as undermining the role of the Executive Officer, it means that issues that require some fact checking or follow up are often drawn out or delayed, while further advice is sought. It is our view that good governance requires the active participation of an executive officer in Board meetings and decision-making, only excluded on an exception basis.

Policy and Procedures
As noted previously, the work required to develop appropriate policy and procedures for Word and Mouth has taken considerable time. The current Chair has done a great job developing a few key policy and procedure documents, some of which need to be reviewed, formalised and a formal induction process set in place for new Board members. As part of this, the Word and Mouth employment process needs to be reviewed, particularly in light of the previous unsuccessful appointment of the Executive Officer, and better supports put in place for Board members conducting HR process. It would be wise to ensure that future interviews be conducted with an 'elder' on the panel to enable an older and perhaps wiser perspective. In light of the size of the organisation it is also suggested that any potential candidates must meet with key Word and Mouth staff before being appointed, to minimise any immediate personality issues and enable critical key co-workers to have some input to decisions.

The Word and Mouth Model - Final Recommendations
It is clear that while there are many models that could be viable for the future of Word and Mouth, there is one model that stands out. After consultation and review of all the data provided, it is the consultants' considered opinion that Word and Mouth should remain an autonomous organisation governed by a Board. While there is no intent to downplay the challenges and issues that have presented in recent times with the current model, it is unlikely that merging with another organisation (Council) would necessarily resolve these fundamental challenges that Word and Mouth currently faces. Nor it is clear that such a change (merger/integration) could be brought about without putting at risk much of the inherent benefits that flow from Word and Mouth being a separate and autonomous organisation.

The significant proviso in making this recommendation is that at current funding levels, Word and Mouth is not considered to be a financially viable organisation. As stated earlier, future funding should be established at a higher level to recognise and cover base administration and overheads of operating a business and to enable future service delivery based on a proper business plan.

If the only choice is to continue funding at current levels, then the viability of continuing to operate Word and Mouth as a separate entity is highly questionable. In

Mach 2 Consulting (2014)   22

these circumstances, the best option may be (despite our philosophical preference for otherwise) to operate Word and Mouth as a semi-autonomous/ autonomous business unit within Greater Shepparton City Council through an appropriate deed of delegation (ie; section 186 committee). What is clear is that a significant funding commitment is required to support the ongoing activities of Word and Mouth, and help expand into the areas identified in this review.

Two models are outlined in the following section, with a summary of recommendations relating to the three areas identified as key objectives in this review;

1.   Governance;
2.   Operational/Delivery Structure; and
3.   Financial structure.

Model 1:
Continue as an Independent Organisation

Key components of this model, represented in the diagram below;

- Governed by Youth-led Board.
- Constitutional change to create greater flexibility in terms of Board membership and skills-based directors
- Led by an Executive Officer accountable to the Board.
- Shop-front location in Shepparton CBD to operate as a multi-use youth space.
- Word and Mouth staff co-locate in an office in the rear of the building and would manage bookings and coordinate events in the front space.
- Council continues to provide core funding for the next five years, with ongoing philanthropic funding contributing in the future.
- Resourced to a level that is reflective of Word and Mouth's status as an independent organisation/entity.
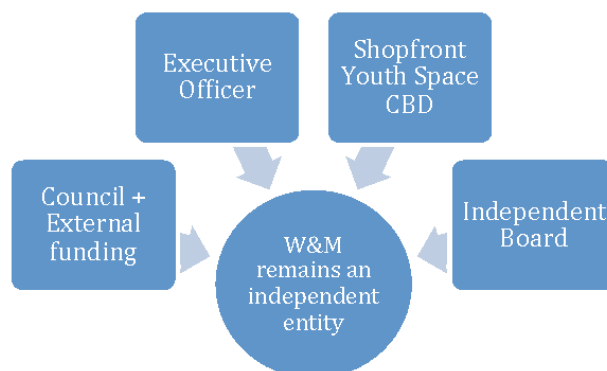
Key Recommendations - Word and Mouth as independent organisation

Governance:

1. Amend the Constitution to enable a more balanced /flexible Board composition across different age-groups and reflective of skills and capabilities.

2. Consider the establishment of a 'Council of Elders' to ensure the Board has ongoing access to senior support and expertise. It is recommended that some of these elders may be previous participants or Board/committee members from Word and Mouth.

3. Develop a package to demonstrate benefits of Board membership and implement a program to attract new Board members, profiling the range of skills and attributes required.

4. Review the role and Position Description for the Executive Officer position underlining the requirement to attend Board meetings as a non-voting member.

5. Develop closer ties between Word and Mouth Board and its funding partners (ie; by periodically inviting key council staff and other funding partners to attend board meetings).

6. Develop a proactive program for key Board/Committee and staff members to investigate and visit leading edge 'youth space' models (including YouthARC) to inspire further thinking and help define strategic directions for Word and Mouth.

Operational/Delivery Structure:

7. Undertake a strategic/business planning process to define the scope of future Word and Mouth services and activities. The strategic/business plan should explore and address, within agreed and defined global funding constraints, the following potential services/activities:

    7.1. Establishment of a shopfront CBD office/retail space for the Word and Mouth team, combined with larger 'youth space' that can be utilised collaboratively by other services (ie; with Word and Mouth managing the use of this space).

    7.2. Continuation of a monthly events program and participation in Shepparton calendar of events as core business.

    7.3. A program of social forums or community conversations to provide a platform for youth perspectives on current issues e.g. politics, employment, education, and social media.

    7.4. Expanded work within secondary schools through facilitation of youth advocacy and issues forums.

    7.5. Build partnerships with other community organisations that are active in the leadership space to leverage opportunities for young people involved in Word and Mouth.

    (NB: It is noted the scope and scale of activities and programs that Word and Mouth might consider involvement in is directly related to its resource capacity and organisational capability. In recognition of this fact, broad financial parameters need to be provided to guide such a strategic/business planning process. The strategic/business plan that results from such a process could then be considered by funders as part of their final decisions regarding future support and terms for future funding agreements.)

Financial Structure:

8. Enter immediate negotiations to secure short term funding from Greater Shepparton City Council and/or Fairley Foundation to ensure solvency.

9. Ensure that the Word and Mouth organisation has sufficient executive and organisational capacity and resources available to enable the establishment of a wider, more sustainable long-term funding base for Word and Mouth (ie; beyond Council and Fairley).

Mach 2 Consulting (2014)   25

10. Reinforce/confirm the role of the Executive Officer as having key responsibility (as a core position KPI) for broadening the Word and Mouth funding base through philanthropic, community, corporate and other funding sources.

11. Establish a Board sub-committee to work with mentors, Council and local businesses and other identified elders to develop a long-term financial/funding plan.

12. Implement data collection process to monitor Word and Mouth activities in order to;

   12.1.   demonstrate and measure return on investment for funders, the community and other stakeholders

   12.2.   define and capture data on outcome measures to use as a tool for submissions and negotiations regarding funding

   12.3.   build a higher profile of Word and Mouth in the wider community.

Model 2: Merger/Integration with Greater Shepparton City Council

The alternative option is that Word and Mouth is integrated within/auspiced by Greater Shepparton City Council. This, in effect, exchanges a legally constituted Board (under the Corporations Act) for an advisory committee (e.g. such as a Section 86 Committee) and functioning as a business unit within council.

It would involve a wind-up of the current Word and Mouth Ltd. (ABN: 14 138 150 188) company, which is the existing legal entity. Under an integrated structure, Word and Mouth operations would be migrated to the Council-auspiced structure but it would not be a separate legal 'person' or entity as it currently is.

While this is not the preferred option of the consultant, it is seen as a reasonable and appropriate alternative in the case that adequate additional funding is not possible.

However, there is one critical recommendation if this model is pursued, and that is that Word and Mouth must operate from a separate location external to Council offices. It is the consultants' view that the Word and Mouth office must remain an accessible place for young people outside the Civic Centre complex and, preferably, in a main street/CBD location. The ability of Word and Mouth to present itself to its target group of young people would be seriously compromised if the service base were to be within the Council office. Similar to the previous model, it would ideally be located in a CBD shop front where there is the potential for it to function as a multi-use youth space. While the current location (opposite the civic centre) is appropriately understated and welcoming to young people, its size currently limits its potential uses and impacts on productivity of the small team.

As a business unit in council, there would no longer be a need for an Executive Officer and, if the Council integration model is pursued, it is recommended that an additional youth worker be appointed to assist with the priorities identified in this review.

The other significant change is that an advisory committee rather than a Board would oversee Word and Mouth. An advisory committee would not have the legal autonomy currently held by the Board but could operate in a similar way with a well-developed Terms of Reference. This would ensure the committee would continue to have influence and decision-making capacity, and minimise concerns of undue influence.

Many operational service/program scope components of this model are the same (or similar) as under the first option. Key components of this model;

- Advisory committee (e.g. Section 86 Committee) governed by Terms of Reference.
- Shop-front Youth Space managed by Word and Mouth staff (per previous model).
- Non-replacement of Executive Officer role.
- Appointment of two full time youth workers (including current project worker).
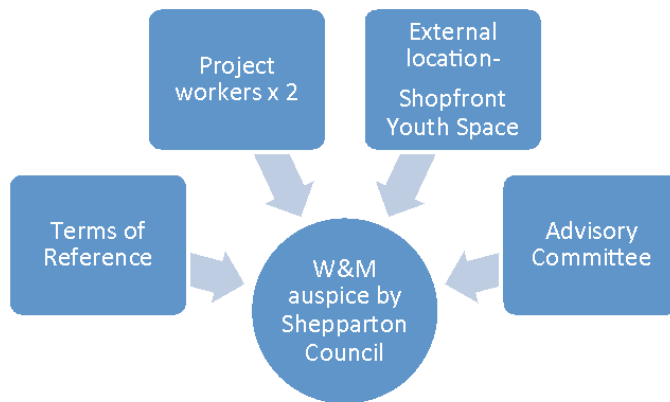
Key Recommendations - Word and Mouth as a business unit of Greater Shepparton City Council (merged)

Governance:

1. Formation of a Word and Mouth Advisory Committee (section 86) with an appropriate Terms of Reference (either integrated with the current Youth Committee or potentially a separate Youth Committee reflecting the existing two forums if so desired).
2. Formally invite current members of the Word and Mouth Board and Youth Committee to become members of the Advisory Committee/Youth Committee.
3. Council to consider provision of funding for key Committee or Council staff members to visit leading edge 'youth space' models (including YouthARC) to inspire further thinking/inform strategic planning.

Operational/Delivery Structure:

4. Undertake a strategic/business planning process to define the scope of future Word and Mouth services and activities. The strategic/business plan should explore and address, within agreed and defined global funding constraints, the following potential services/activities:

    4.1. Establishment of a shop front CBD office/retail space for the Word and Mouth team, combined with larger 'youth space' that can be utilised collaboratively by other services (i.e. with Word and Mouth managing the use of this space).

    4.2. Continuation of a monthly events program and participation in Shepparton calendar of events as core business.

    4.3. A program of social forums or community conversations to provide a platform for youth perspectives on current issues e.g. politics, employment, education, social media.

4.4. Expanded work within secondary schools through facilitation of youth advocacy and issues forums.

4.5. Build partnerships with other community organisations that are active in the leadership space to leverage opportunities for young people involved in Word and Mouth.

Financial Structure

5. Implement data collection process to monitor Word and Mouth activities in order to;
   5.1. demonstrate and measure return on investment for funders, the community and other stakeholders
   5.2. define and capture data on outcome measures to use as a tool for submissions and negotiations regarding funding
   5.3. build a higher profile of Word and Mouth in the wider community.

6. Council to explore funding and partnerships to develop youth space model for Greater Shepparton.

Conclusion and Recommendations

It is recommended that:

- Word and Mouth continue as a separate and autonomous organisation to plan, manage and oversee services, programs and events for young people in Greater Shepparton.
- That the level of funding for Word and Mouth be increased to recognise the base/corporate and organisational costs that are implicit in operating as a separate entity.
- That irrespective of the adopted organisational and governance structure determined for Word and Mouth, funding for activities and services for young people be continued at least at current levels by the City of Greater Shepparton and the Fairley Foundation.
- That, in addition to funding identified above, Council identify opportunities to make available its corporate and organisational capacity and resources to assist Word and Mouth in the management and operation of the organisation.
- That in the event of additional funding /resources not being made available (as described above) to Word and Mouth, a structure and transition plan be developed to continue the Word and Mouth role and ethos through a semi-autonomous structure under the ownership and management of the City of Greater Shepparton. This would include the following:
  - commencement of proceedings for the winding up of the Word and Mouth company entity
  - transfer of the staffing, assets and resources of Word and Mouth to Greater Shepparton City Council

- integration of the existing operations of Word and Mouth within the Council organisation, with appropriate budgetary provisions
- a semi-autonomous Committee of Management /Advisory Committee be established by Council (under section 86 of the Local Government Act) with appropriately Terms of Reference and existing Board/committee members be invited to continue in an active role.

It is the consultants view that Word and Mouth would be best placed to remain as an independent organisation. However, this view is conditional on resource capacity. It is also clear that there are sound arguments for bringing it back under Council control/auspices.

What the discussions, and consequently the recommendations reveal, is that many of the challenges currently being experienced have a long history. While simply changing the Word and Mouth structure to be a business unit within Council may resolve some of the immediate issues, it is likely to create other challenges in its place. Similarly, our recommendations reflect the fact that whilst we place great value in autonomy, there is also a price. Without the funding, pursuit of the benefits of autonomy can prove elusive and, ultimately, counter-productive.

While Word and Mouth has excelled in building social capital amongst its target audience – young people - it has been far less successful in building capacity across the wider community, which has resulted in many lost opportunities.

Irrespective of the model chosen for future delivery, this is an area that can be addressed with a well-conceived strategic/business plan that recognises the resources that already exist in the Greater Shepparton community, and outlines strategies for development. It is our view that while Greater Shepparton has its share of challenges, it is also the beneficiary of a wide range of research and philanthropic interests and Word and Mouth is in a strong position to leverage support and funding to achieve its full potential.

Resources

End Notes

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[i] Carter, Jan (2004) Young People Building Our Community: Young Shepparton 2002-2020 - Discussion and Development Plan. Prepared by Jan Carter for the Fairley Foundation, in association with the Greater Shepparton City Council and the Goulburn Murray Local Learning and Employment Network.

[ii] Word and Mouth Strategic Plan 2005-2008

[iii] Word and Mouth Strategic Plan 2005-2008

[iv] Alford, Katrina (2011) Shepparton: the needs and issues for philanthropy.

[v] Greater Shepparton Youth Strategy and Action Plan 2012 – 2015

vi (May 2011) Victorian Local Government Support for Children, Young People and Their Families Published by the Department of Education and Early Childhood Development and Municipal Association of Victoria.

Key Documents

GerrardBown (2006) Word and Mouth Final Report

Goulburn Murray Local Learning and Employment Network. The Building a New Generation Youth Leadership Program 1 & 2 2012 – 2014

Goulburn Murray LLEN (2014) Supporting School to Work Transitions; A Shared Responsibility

Greater Shepparton Youth Strategy & Action Plan 2012-2015

Goulburn Valley Community Profile Goulburn Valley Primary Care Partnership March 2011

Hippisley, J. (2011) Issues for Shepparton 2011 - 2012 Social and Economic perspective.

Hudson, Rob (2011) Social Capital in Shepparton - Some of the Issues; A paper prepared for the Fairley, Pratt and Yulgilbar Foundations Brotherhood of St.Laurence.

Standish, A. and Stephenson, P. (2013) Right in the mix; Role of Victorian councils in the delivery of services to vulnerable young people. Report of the MAV/DEECD Partnership project.

Word and Mouth Strategic Plan 2013-2016

Word and Mouth Policy Manual 2013

Word and Mouth Board of Directors- Chairperson manual 2014 (Draft)

Greater Shepparton City Council Word and Mouth Youth Advisory Committee

TERMS OF REFERENCE

Adopted by Resolution of Council on [TBC]

For Review [TBC]

1. Purpose

The Greater Shepparton City Council Word and Mouth Youth Advisory Committee will provide informed advice to Council regarding the views and opinions of young people – aged between 12 and 28 years – within the City of Greater Shepparton.

2. Definitions

Council refers to Greater Shepparton City Council.

Committee refers to the Greater Shepparton Youth Advisory Committee

3. Role of the Greater Shepparton City Council Youth Advisory Committee

The Committee has been established
- To promote and engage young people as leaders and decision makers
- To provide opportunities for young people to be connected to their community and building the human capital of greater Shepparton
- To provide opportunities for youth personal development through leadership training and mentoring
- To encourage expression of opinion, cross cultural exchange and understanding
- To maintain collaborative partnerships with other youth groups, youth service providers, government agencies, funding bodies and secondary schools
- To support the operations of the Word & Mouth Council business unit
- To support the planning, implementation and evaluation of youth activities
- Monitor and review the Greater Shepparton Youth Action and Strategy Plan (YS&AP). Contribute to the ongoing development of successive YS&APs

4. Committee Membership

The committee will consist of 20 members between the ages of 12 years and 28 years.
- Four members between the ages of 12 and 15 years
- Four members between the ages of 16 and 20 years
- Four members between the ages of 21 and 24 years
- Four members between the ages of 25 and 28 years

1

Trim Ref: M15/27145

Two members outside this age group

Individuals are invited to nominate or be nominated for the committee, which remains in place from July 1 to June 30 each year.

5. Committee Meeting Procedure

Meetings will be held ……………………………………….

6. Committee Conduct Principles

Committee members are expected to:
a.   actively participate in Committee discussions and offer their opinions and views,
b.   treat all persons with respect and have due regard to the opinions, rights and responsibilities of others,
c.   act with integrity,
d.   attend each meeting where practical
e.   avoid conflicts of interest
f.   refrain from releasing confidential information.

6. Review

The terms of reference for the Committee will be reviewed on a biennial basis.

2

Trim Ref: M15/27145