Australian Community Sector Survey

ACOSS Paper 173

Volume 1 - National

2011

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Table of Contents

List of Tables and Figures

Abbreviations

AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
ACOSS	Australian Council of Social Service
ACSS	Australian Community Sector Survey
AIHW	Australian Institute of Health and Welfare
ANZSIC	Australian and New Zealand Standard Industrial Classification
ASGC	Australian Standard Geographical Classification
ATO	Australian Taxation Office
ATSI	Aboriginal and Torres Strait Islander
COAG	Council of Australian Governments
CALD	Culturally and linguistically diverse
DEEWR	Department of Education, Employment and Workplace Relations
DGR	Deductable Gift Recipient
DSP	Disability Support Pension
ER	Emergency relief
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FBT	Fringe Benefits Tax
FTE	Full time equivalent
FMP	Financial Management Program
GDP	Gross Domestic Product
GFC	Global Financial Crisis
ICNPO	International Classification of Non-Profit Organisations
ICT	Information and Communication Technologies
NCCS	National Classification of Community Services
NFP	Not-For-Profit
NGO	Non-Government Organisation
NILS®	No Interest Loans Scheme
PBI	Public Benevolent Institution

PC   Productivity Commission

QIRC   Queensland Industrial Relations Commission

SCOA   Standard Chart of Accounts

Executive Summary

The Australian Community Sector Survey 2011 (ACSS) presents the findings of the ACOSS annual survey of community services across Australia. The survey was conducted throughout November-December 2010 and covers the period from 1 July 2009 – 30 June 2010. A total of 745 agencies completed the survey, responding on issues relating to service provision, income and expenditure, operational, policy, and workforce issues for the community services sector.

The ACSS is the only annual national survey collecting data about the non-government, non-profit community services and welfare sector. This sector is a major provider of the community services that most of us rely on at some point in our lives, but which are particularly important to people on low incomes.

Key Findings

- In 2009-10, respondent organisations provided services on 6,180,282 occasions. This represents a 12% increase on the 5,513,780 instances of service provided by these agencies in 2008-09.
- The percentage increase from 2008-09 to 2009-10 was most pronounced for residential aged care and nursing homes (128%), financial support services (50%), services specifically targeting those from Aboriginal and Torres Strait Islander backgrounds (24%), emergency relief (22%), and housing and homelessness services (21%).
- Despite the overall increase in services delivered, the majority of organisations (55%) indicated that they were still unable to meet the demand for their services.
- In 2009-10, clients were denied services on approximately 345,000 occasions, equating to more than 1 in 20 eligible people seeking social services being turned away. This represents a 19% increase on the 298,000 people turned away in 2008-09.
- There were nearly 50,000 instances in which people were turned away from homelessness and housing services. This equates to a total of 135 people being turned away from these services on any given day in 2009-10. Other services turning away substantial numbers of people included mental health services (33,444); emergency relief (30,333); youth services (21,862); and Aboriginal and Torres Strait Islander support services (20,516).
- This surge in demand led to a tighter targeting of services in 2009-10 than in previous years. This was most prevalent where the primary service addressed family relationships, emergency relief, domestic violence and sexual assault, or community development. Over two-thirds of respondents from these sub-sectors agreed or strongly agreed that their services were being more tightly targeted than in the past.
- Unmet need was most acute in the area of mental health, with an overwhelming 89% of organisations identifying this as an area of high or medium need. It was also particularly pronounced in the areas of homelessness and housing (87%), family and relationship services (82%), general health (82%), emergency relief (78%), and employment and training (78%).
- Alongside the increase in the client numbers seeking services, there was an increase in the complexity of client needs. This placed added stress on organisations, and underscores the need for government programs and policies (including funding models) that better support holistic service delivery and coordination.

- Almost all services experiencing heightened demand stated that funding levels have not kept pace with the increase in demand. Many of these services also noted escalating costs associated with operating services, complying with contractual requirements, and managing volunteers. This drove some small and medium organisations to operating deficits in 2009-10, indicating how closely the lack of fiscal flexibility and the inability to reduce service levels is linked to primarily government funding and service contracting arrangements. Small to medium organisations are particularly vulnerable to underfunded contracts with government as they usually have less capacity to negotiate terms or to refuse to provide more service than they are funded to deliver.

- Within staffing and workforce, organisations reported recurrent and significant difficulties in recruiting and retaining staff. Inadequate salary levels and job insecurity were pervasive factors across survey respondents. The introduction of the Modern Award and the implications of the equal pay case for community workers provided an additional layer of uncertainty and concern in this area.

- Red-tape and compliance costs, in addition to resource-intensive tendering processes, continued to place an onerous burden on organisations, absorbing organisational resources, stifling innovation in service delivery, and detracting from front-line service delivery.

Profile of Service Users

Age

- People aged 15-24 years of age were overrepresented in a number of service categories relative to their representation in the wider Australian population.

- In particular, this age group were significantly overrepresented in homelessness and housing services, where they comprised over a third of all clients.

- A disproportionately high number of 15-24 year olds also accessed alcohol and other drugs agencies, family and relationship services, and emergency relief.

- The age profile of those accessing migrant, refugee and asylum seeker services showed a noticeable departure from the age structure of the wider population, with a significant overrepresentation among young people but also those aged over 65.

Sole Parents

- Single parents were disproportionately high users of social services. While there are over 0.9 million single parents in Australia (ABS 2006) or 4.3% of the total population, single parents comprise over a quarter (28%) of service users across all organisations. This is nearly 7 times their representation in the wider population.

- The over-representation of sole parents as clients of community services was most pronounced in agencies where the primary area of service delivery is domestic violence and sexual assault (59%), family relationship services (43%), Aboriginal and Torres Strait Islander services (40%), emergency relief (39%), homelessness and housing (35%), and financial support services (30%).

People from Aboriginal and Torres Strait Islander backgrounds

- People from Aboriginal and Torres Strait Islander backgrounds were also significantly overrepresented as service users. Across all services they accounted for 16% of clients, more than six times their actual representation in the Australian population.
- This proportion was even higher in alcohol and other drugs services (44%), domestic violence and sexual assault services (28%), housing and homelessness services (19%), and services providing employment support and jobs training (19%).

Jobless

- People who were jobless comprised over 60% of those seeking support from mental health services.
- In contrast, those from a culturally and linguistically diverse background were significantly underrepresented as consumers of mental health services. This under-representation is consistent with patterns of usage documented elsewhere, with studies suggesting that people from CALD backgrounds are consistently underrepresented in community mental health services, yet overrepresented in involuntary admissions to inpatient facilities.
- The disability support pension and parenting payments were the most common income support payments received by service users.
- The proportion of service users receiving the DSP was highest among housing or homelessness services (32%) and mental health services (62%).
- Those receiving Newstart allowance also comprised a substantial proportion of those accessing services for homelessness or housing (27%), emergency relief (32%), employment & training (29%), Aboriginal and Torres Strait Islander support (35%), alcohol and other drugs (31%), financial support (19%), and services for those from a migrant, refugee or asylum seeker background (26%).

  Individual reports analysing data for states and territories are also available.

1. Introduction

1.1 Overview of July 2009 – June 2010

1.1.1 Prevailing economic trends

The 2009 Federal Budget was handed down amid a deteriorating global economy and the first serious downturn in the Australian economy since the early 1990s. During the previous financial year, there had been significant deterioration in the budget due to falls in taxation revenue and additional expenses arising from the government's policy response to the Global Financial Crisis (GFC). For example, spending included in the stimulus package introduced by the Rudd Government in the immediate aftermath of the GFC resulted in $98.2 billion in additional federal spending between 2008-09 and 2011-12.

At the outset of the 2009 financial year, economists predicted that Australia would experience a technical recession (defined as two consecutive quarters of negative growth); and the May budget predicted that unemployment would reach a peak of 8.5% in the June quarter of 2011. Over the course of the year, the strength of the Australian economy surprised most commentators: technical recession was avoided; the Australian economy grew by almost 1.5%; and the unemployment rate peaked at 5.6%. The strength of the Australian banking sector and neighbouring Asian economies such as China, as well as the Federal Government's stimulus package, which continued throughout the 2009-10 financial year, were seen as largely responsible for the resilience of the Australian economy.

Despite the Government's swift response and the resilience of the Australian economy, the GFC continued to impact the Australian economy and many households throughout 2009-10. For example, the relatively low peak in the unemployment rate was achieved in part by increases in part-time and casual work as employers chose to cut working hours instead of shedding jobs. Reduced working hours and a decline in private sector salaries resulted in reduced incomes for many individuals and families. As a result, consumer and business confidence remained fragile throughout the year, with many households opting to pay down debts and boost their savings in response to the GFC.

Low-income and unemployed Australians were badly affected by the GFC. Young people and sole parents were particularly hard hit, competing for jobs in the face of unemployment rates of 14% and 10% respectively. As was the case with previous recessions, the level of long-term unemployment also rose. In 2009-10, over half of the 600,000 people on the Newstart Allowance had received it for more than 12 months, and approximately a third

had received it for more than 2 years (ACOSS 2010). These groups were also excluded from the income support payment increases awarded to aged and disability pensioners in the 2009 budget, discussed further below.

1.1.2 Prevailing social policy trends

In 2009 and 2010, the Federal social policy agenda included:

- welfare reform, including changes to income support payments and the national rollout of income management;
- a heightened emphasis on workforce participation; and
- reduced expenditure in the aftermath of the GFC. In this context there was increasing community concern about disproportionate levels of government expenditure across different low-income groups and for social services.

Social policy measures introduced in the 2009 Federal Budget provide insight into the federal government's social policy agenda. The Budget was cautious in the area of social policy as the government attempted to manage the tension between increased spending in some areas, decreased spending in others, and continued implementation of significant welfare reforms, such as the further rollout of income management.

Additional areas of policy reform included the Review of Pensions (Harmer review) and the Australia's Future Tax System review (Henry review); both processes which were underway during the period of this survey and which generated considerable debate about social as well as economic policy reform. Climate change and energy efficiency were also key areas of policy review across the country. Federal and state government schemes sought to mitigate the impact of rising utility costs for low-income households, for example, the Greenhouse Gas Reduction Scheme in NSW. The development and eventual delay of implementation of the Carbon Pollution Reduction Scheme from July 2010 to July 2011 was also a key policy issue at this time.

In recognition of the particular impact the GFC had on people on low-incomes and the unemployed in Australia, the Government targeted significant stimulus spending at these groups. For example, funding for the FaHCSIA administered Financial Management Program (FMP) was increased from $50 million at the start of 2008-09 to $105 million in 2009-10. This included the doubling of emergency relief funding over two years, with an extra $80.4 million from 1 March 2009 - 30 June 2011, and provision of an additional $50 million over two years from 1 July 2009 for financial literacy and support programs such as matched savings accounts and no interest loans. In 2009-10, a further $12 million was provided to existing emergency relief services to support particularly vulnerable client groups such as the homeless and recent humanitarian arrivals.

There were also welcome increases to the single age, disability support and carer pension payments, resulting in an additional $33 per week to base rate payments for these income support payments. Unfortunately these increases to some income support recipients did not flow through to recipients of the unemployment benefit Newstart, sole parenting or youth

allowance payments. This led to an expanding gap between pension and allowance payments for those reliant on income support. Other changes at the time addressed eligibility for Disability Support Pension payments, and changes to Family Tax Benefit payments.

There was increased expenditure to support Aboriginal and Torres Strait Islander people, but criticism focused on the targeting of spending and overall shortfalls in that expenditure, particularly in health. For example, there were increases in Government expenditure for 'close the gap' initiatives; however these focused on funding for the Northern Territory.

A number of changes to government expenditure on health had an impact for people on low incomes in Australia. For example, Medicare low income thresholds were increased for individuals and for families, with additional amounts for each dependent child or student. Changes to the Medicare Benefits Schedule included caps introduced on Medicare benefits payable under the Extended Medicare Safety Net; and there were some additional high-cost drugs added to the Pharmaceutical Benefits Scheme.

Despite areas of increased spending to assist those worst affected by the GFC, community welfare organisations struggled to meet the increased demand for assistance experienced during and after the crisis. Welfare agencies reported increased demand for services across the board, with emergency relief providers noting a marked increase in the numbers of people requesting assistance for the first time, including employed people on low fixed incomes and those struggling to meet mortgage repayments and other housing costs.

Cost of living pressures also continued to have a significant impact on low-income households. Low- and middle-income Australians experienced ongoing financial pressure throughout the 2009-10 financial year, due partly to the high and growing cost of housing and the continuing shift towards private funding for essential services such as health and education. For example, over the past 10 years housing and privately funded health costs have risen by 58% and 63% respectively. Rising rental costs have also placed particular financial pressures on low- and middle-income families unable to purchase their own homes. Over the past 5 years, the median private rent for a 2 bedroom flat in Sydney has risen from $280 to $420 per week; in Melbourne, from $209 to $340. As a result, over a million low-income households experienced housing stress in 2009-10 with housing costs exceeding 30% of household income. Despite these rising housing costs, $750 million was cut from the stimulus budget for social housing at this time.

Utilities costs also increased significantly in recent years. For example, the ABS reported that over the year to March 2010, electricity prices increased by 18.2%, water and sewerage by 14% and gas and other household fuels by 3.6%. For households on low and fixed incomes, these costs are significant and can lead to an increased risk of under-consumption and disconnection, which can have significant health and financial ramifications of their own.

2.   Methodology

2.1 Definitions and service classification systems

Currently there is no national data standard for collecting information about not-for-profit (NFP) organisations, with different classificatory schemes used by different national and international research bodies. Classification schemes commonly used in Australia include the Australian Institute of Health and Welfare's (AIHW) National Classification of Community Services (NCCS); the ABS classification systems; the Australia and New Zealand Standard Industry Classification (ANZSIC) community services definition; and the International Classification of Non-Profit Organisations (ICNPO) scheme.

The ABS classifies community services as: residential aged-care services; child-care services; and other social assistance services, including employment and disability services and policy and advocacy work. By contrast the ICNPO classifies not-for-profit social services according to the following categories: child welfare, child services and day care; youth services and youth welfare; family and relationship services; disability services; services for the elderly; self-help and other personal social services; emergency relief and disaster control; temporary shelters; refugee assistance; income support and maintenance; and material assistance (PC 2010, 65). In addition, the ICNPO defines not-for-profit health services as: hospitals and rehabilitation; nursing homes; mental health and crisis intervention; and other health services such as public health education (PC 2010, 65). Finally, the NCCS classifies community services as: personal and social support; support for children, families and carers; training, vocational rehabilitation and employment; financial and material assistance; residential care and supported accommodation; corrective services; service and community development and support; and other community service activities. Each category of service within the NCCS includes numerous subcategories that further define areas of specific service provision.

Each of these schemes differs in the way it classifies non-profit community services and has certain limitations in terms of collecting accurate and comprehensive data about a sector as diverse as the Australian community services sector. For example, data coded using the ANZSIC classification does not allow the subsectors of the community services sector to be identified. Similarly, the ICNPO does not reflect the way community services are structured and defined domestically. A clear example of this is the definition of refugee services. The ICNPO defines refugee services and those provided to internally displaced people and inhabitants of UN refugee camps; where as in Australia refugee services typically comprise settlement and other support services provided to people who have been recognised as refugees and resettled in Australia.

There are inherent difficulties in establishing a definitive classificatory scheme which identifies organisations according to service type. In addition, many organisations are typically a composite of services and supports. The typology adopted in ACSS was more exhaustive than the classification systems outlined above, particularly the ABS and AIHW schema, which did not enable the capture of data specific to particular areas, such as employment, housing, health, aged care and child care services. Grouping organisations according to their principal activity – which was done throughout the data analysis below – circumvents this to some extent, but nevertheless is a compromise. Even then, some survey respondents found identifying a primary area of service provision difficult, despite the expanded classification scheme adopted by the ACSS.

The table below identifies and defines the classification scheme employed in the 2011 ACSS.

Table 2.1   ACSS service classification scheme

Service Type
Employment/training services
Disability services
Housing/homelessness services
Child welfare, child services and day care
Domestic violence and sexual assault
Family and relationship services
Emergency relief services for those experiencing financial crisis (eg. Provision of food, clothing, transport, utilities vouchers)
Financial support services (eg. Financial counselling, financial literacy education, NILS®, money management services and problem gambling)
Mental health
Other health services
Information, advice and referral services
Legal services and advocacy
Migrant, refugee and asylum seeker services
Indigenous support services
Residential aged care and nursing homes
Services for the aged and elderly (excluding residential facilities)

Community development
Alcohol and other drugs support services
Other

During the data analysis stage, it became clear that the ACSS classification scheme had overlooked some key areas of primary service provision. As a result, two new categories of service provision – community development and alcohol and other drugs support services – were created at that stage to more adequately reflect the work of the sector.

Despite the development of these additional categories of service provision to better capture the work of the community sector in Australia, numbers of respondents did not conform to the scheme adopted. In addition, the composite nature of many organisations led some survey respondents to indicate that there was no single service category that predominated amongst the array of services they provided. These respondents preferred to describe their organisations in terms such as 'generalist welfare provision' or 'broad social and welfare support', and are largely reflected in the 'other' category throughout this report.

2.2 Sampling and survey distribution

The survey methodology relied upon a combination of snowball and purposive sampling. Member organisations across the Councils of Social Service (COSS) in the states, territories and nationally were emailed information about the survey and a link to a website where they could complete it. Organisations were also asked to forward the information to other eligible organisations beyond the COSS network. In a variation from previous years, the survey's scope was expanded to encompass additional peak bodies who were asked to forward the survey link to their own members and other organisations who met the organisational criteria. This process also enabled particular sub-sectors who had been under-represented in previous years of the survey to be targeted to increase their representation in the survey sample.

In total 826 responses were received to the survey. Among these respondents, some completed less than 10% of the survey. Therefore, the more reliable response rate is 745.

The following figure reflects the proportion of survey returns received across the states and territories in Australia. While New South Wales and Queensland accounted for a significantly larger proportion of responses than other states, the remaining responses were spread relatively evenly across other states and territories.

Figure 2.1　Survey returns by State/Territory

n=746
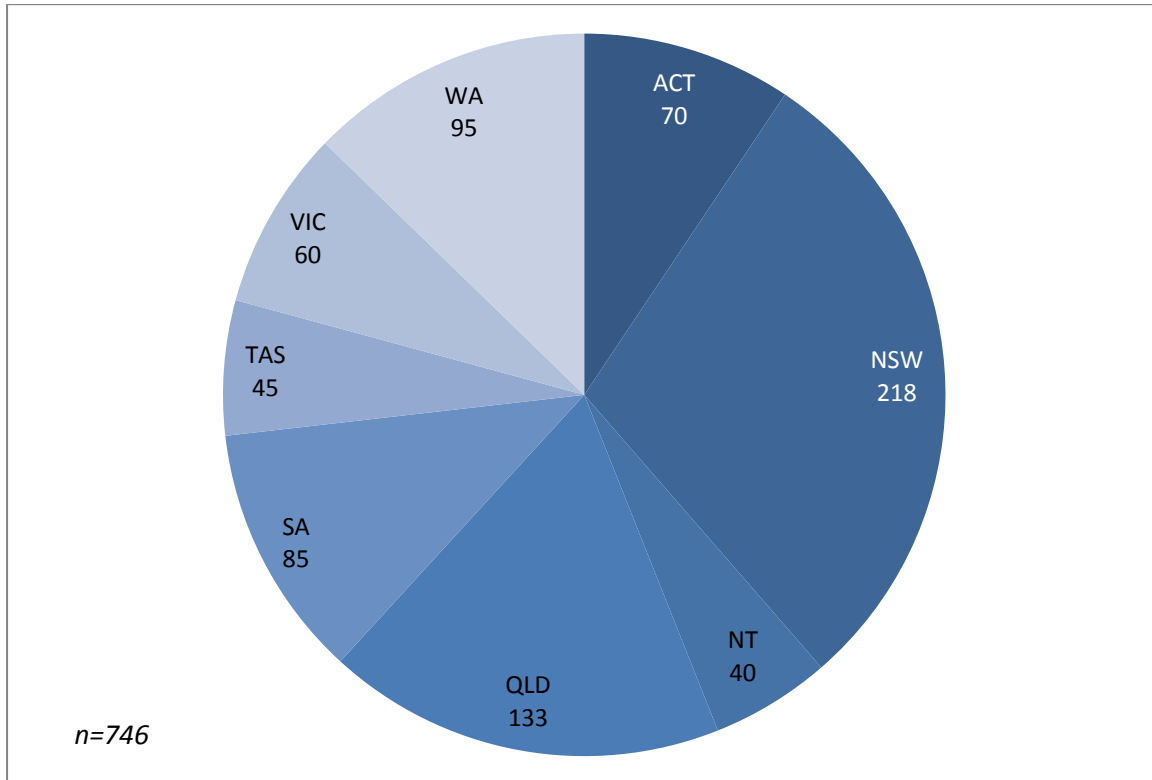
2.3 Limitations

There are a number of limitations to the data presented in this report. Firstly, the representativeness of the sample depends upon the self-definition of organisations according to specified criteria. Boundaries around who is included within the community sector are not precise or sharply delineated, and similar such caveats apply to the definition of sub-sector boundaries. These limitations are inherent in the sector itself and are therefore reflected in any efforts to analyse and research the community sector, including through the methodology and conduct of this survey.

Secondly, there is a high variability in the response rate to questions within this survey among respondents. This means that many of the data presented are indicative rather than representative. The survey analysis has taken account of this as much as possible, for instance by omitting questions from the report's analysis where the response rate was insufficient.

One of the reasons for this high variability in response rates is due to the limited capacity of many community services to collect, compile and collate the data requested by the survey. As a result, certain information is based on considered estimates from respondents rather than rigorous and precise data collection at an organisational level. This also has an impact on the comparability of data collected by individual organisations within and across sub-

sectors of community services. For example, what constitutes a unit of service may vary significantly across sub-sectors: where some services may count individual clients once only, despite the number of times they return to a service, others may count occasions of service, encompassing many counts for the same individual.

The lack of standardised reporting, data collection and accountability mechanisms across community organisations and their government funders continues to frustrate efforts to compile accurate, comprehensive data on the sector. This affects the ACSS as it does any other routine attempt to measure the sector. The challenge of collecting data in the absence of standardised measures is compounded by the immense diversity of the community sector, which ranges from small organisations largely or entirely dependent upon volunteer labour, through to large charities with highly professionalised workforces and developed structures to measure and report on their work. This problem was recognised by the Productivity Commission during the period covered by this survey, when it recommended a common framework for measuring the contribution of the not-for-profit sector as a key to building a better evidence base for social policy (PC 2010: recommendation 5.2). Many of the methodological limitations of data on the community sector could be overcome with adequate resources to enable the sector itself to lead research in this area.

2.4 Financial support and emergency relief services

The 2011 ACSS has been expanded to include a discrete section concerning financial support and emergency relief services. This was funded by FaHCSIA under the Financial Management Program (FMP). A series of additional questions was formulated which aimed to gather data about the number and type of people requiring assistance under the FMP. The new questions addressing the provision of emergency relief and financial support services were spread throughout the survey, but the results have been analysed and presented in a new subsection in the report.

3.   National survey findings

3.1 Service characteristics

The non-government, NFP social services sector comprises an enormous diversity of organisations. This section characterises the surveyed organisations according to the type of services they deliver, their size, and the location and geographic remit of their operations. It thereby provides a framework for the analysis that follows in subsequent sections.

3.1.1 Geographic location and coverage

Using the Australian Standard Geographical Classification (ASGC) schema (ABS 2010), organisations were asked to identify their locality type according to the degree of rurality or remoteness associated with their area(s) of operation.

Twenty-one per cent of respondents operated out of more than one locality type. As Figure 3.1 reveals, the majority of organisations operated out of a major city, with approximately two-thirds located in a regional area. Nearly a third were situated in a remote locality, with the greatest proportion of these remote organisations located in New South Wales and the Northern Territory.

Figure 3.1 Distribution of services according to locality type

n=745
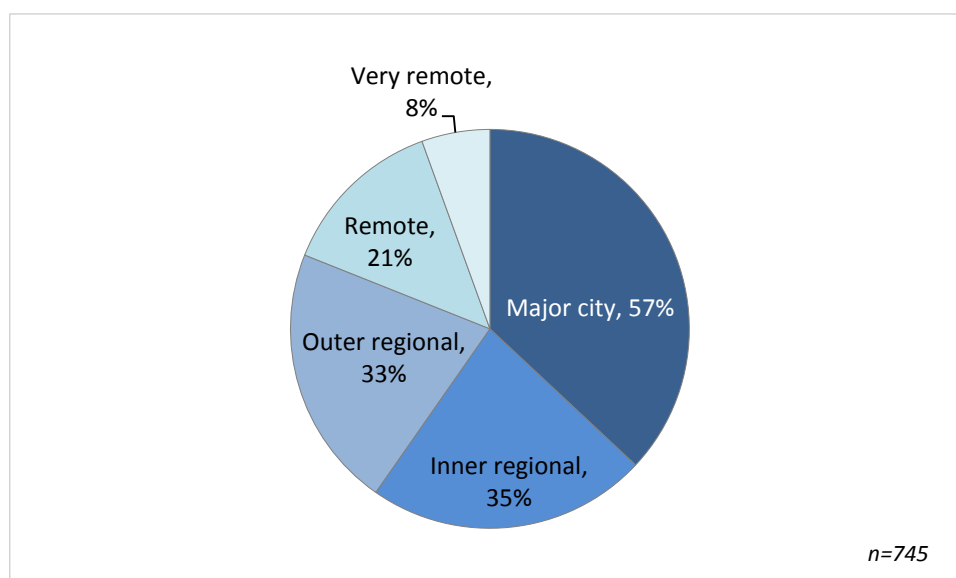
Whilst a significant proportion of organisations operated across more than one locality type, the overwhelming majority confined their operations to only one state or territory (Figure 3.2).

Figure 3.2 Geographic remit of organisations: location of operations
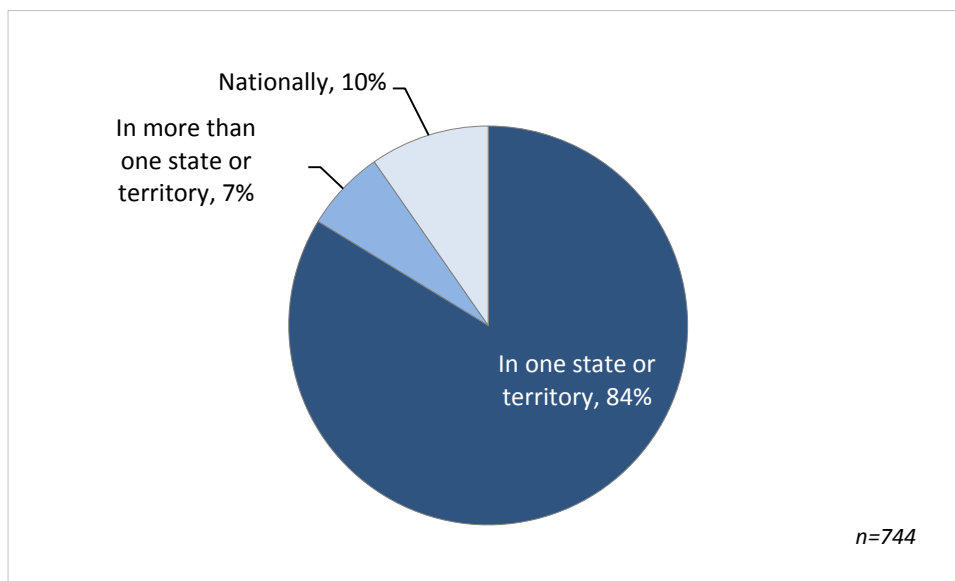
3.1.2 Areas of service delivery

Respondent organisations were asked to describe the activities of their organisations in several ways. Most respondent organisations delivered several services simultaneously, with 80% indicating that they provided more than one type of service. Figure 3.3 provides a breakdown of the full range of services delivered by respondent organisations.

Figure 3.3 Number of organisations delivering specified services

Service	Percentage (count)
Information, advice & referral	61% (452)
Housing & homelessness	33% (243)
Emergency relief	32% (238)
Family & relationship	31% (232)
Youth	31% (229)
Disability	30% (222)
Mental health	29% (215)
Other	25% (188)
Child welfare & day care	24% (178)
Financial support services	24% (175)
Employment & training services	23% (172)
Services for aged & elderly (excl residential)	23% (172)
Domestic violence & sexual assault	22% (161)
Community development	22% (161)
Indigenous support	21% (157)
Legal services & advocacy	19% (141)
Health services (other than mental health)	17% (129)
Migrant, refugee & asylum seeker	13% (100)
Alcohol & other drugs support	6% (46)
Residential aged care & nursing homes	4% (33)

In addition to describing the full range of services delivered, organisations were asked to nominate a primary area of service delivery. Categorising organisations in this way enables comparisons to be made about the particular issues and trends impacting on different service sub-sectors. However, the breadth of services offered by many organisations makes such categorisation inherently problematic. Given the composite nature of many organisations, a significant number of survey respondents indicated that there was not any single service category that predominated amongst the array of services they provided, and preferred to describe their organisation in terms such as 'generalist welfare provision' or 'broad social and welfare support'. This accounts for the majority of organisations who comprise the 'Other' category depicted in Figure 3.4.

Figure 3.4 Organisations according to primary area of service provision
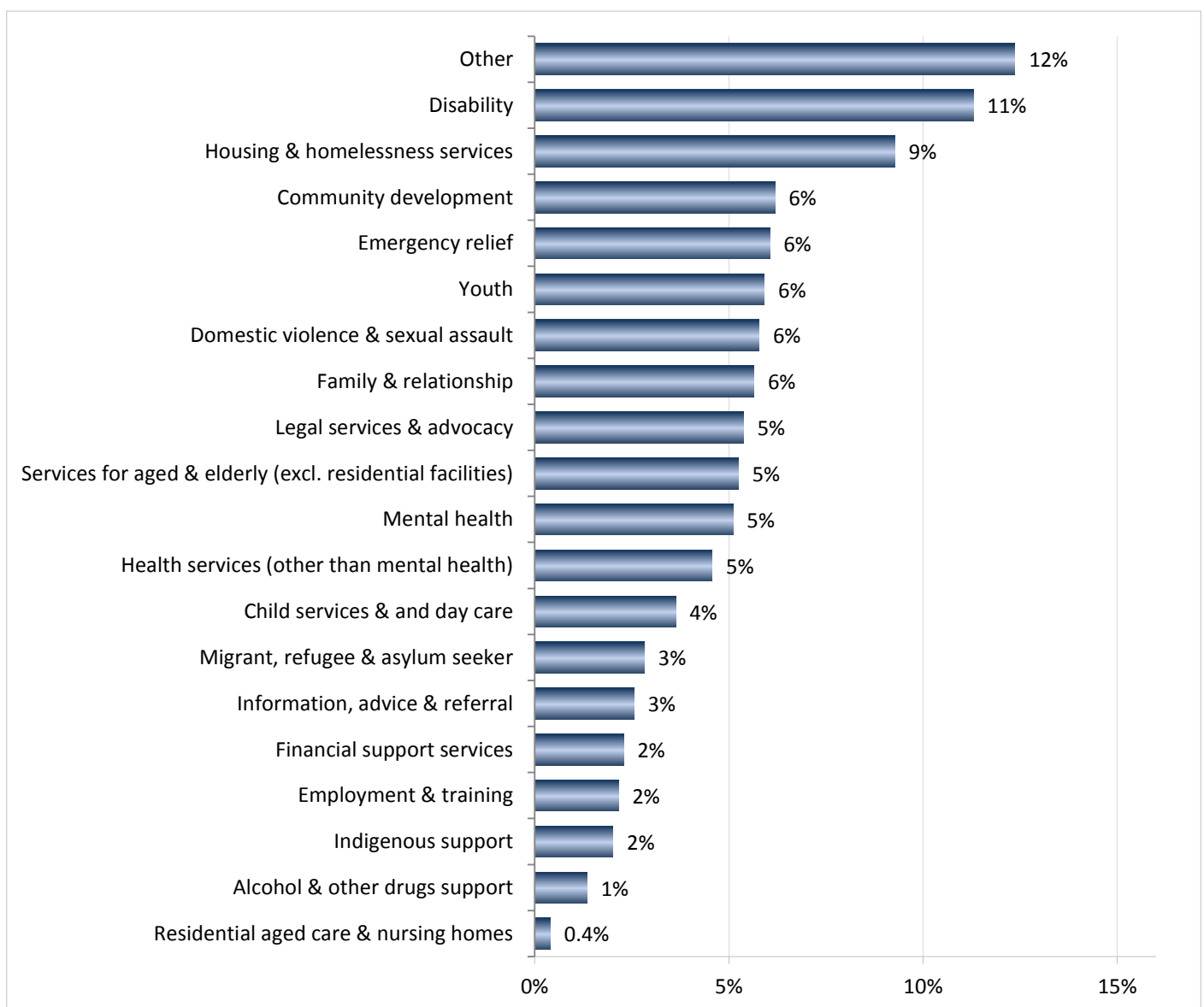
3.1.3 Organisational size

Within the NFP sector, organisational size has emerged as a policy issue of increasing prominence and debate. There are increasing concerns about the capacity of smaller organisations to compete with larger organisations in securing government funding; as well as the relationship between size and impact, sustainability or efficiency (Wiseman et al 2009); and the likelihood of smaller organisations being able to engage in advocacy effectively. It is also recognised that the financial needs and realities facing organisations may vary according to their size (Burkett 2011). Despite this range of concerns, there are few empirical studies that document the scope and implications of these issues.

The 2008 Senate Standing Committee on Disclosure Regimes for Charities and NFP Organisations recommended that a uniform terminology referring to the size of organisations be adopted. However, there is still no standard framework for defining the size of NFP organisations. Some states have developed typologies that include both income and assets; others consider only income. The size of an organisation's workforce and the scope of its social impact are additional characteristics that can be used to define organisational size (Burkett 2011).

For the purposes of this survey, the size of respondent organisations is defined according their level of annual income. The substantial variation in income that exists across the community sector is reflected in Table 3.5. Almost half (44%) of survey respondents who provided details on their income can be classified as very small or small organisations, with incomes less than $500,000. Those organisations with incomes exceeding $3.5 million were designated as very large organisations, and comprised nearly 14% of respondents.

Table 3.5 Organisational size, based on annual income

Size	Income range (annual)	Number	Percentage
Very small	<$250,000	50	23.2%
Small	$250,000 - $500,000	47	21.8%
Medium	$500,000 - $1,000,000	42	19.4%
Large	$1,000,000 - $3,500,000	47	21.8%
Very large	>$3,500,000	30	13.9%
TOTAL		216	

3.2 Service usage

A fundamental challenge for community sector organisations is the capacity to meet the demand for services, while at the same time managing funding and resourcing constraints. Monitoring shifts in the scope and complexity of client needs is also critical to mapping and understanding trends in the use of services across the community sector.

This section examines patterns in service usage, revealing not only a significant increase in demand across sub-sectors, but also a growth in the numbers of people turned away from services and an increase in the proportion of people presenting with multiple and complex needs.

The precise causes and implications of these findings cannot be directly inferred from the survey findings. However, the heightened demand for services is observed amongst organisations servicing some of the most financially vulnerable and socially disadvantaged segments of the community. This finding is consistent with deepening social and economic inequalities, suggesting that the benefits of economic recovery from the GFC have been unevenly distributed. In addition, the difficulties many organisations report in meeting demand, combined with the increasing complexity of problems service users experience, pose critical short- and long-term policy challenges. With high levels of unmet need, many people are unable to access essential social assistance or support – a situation which ultimately risks reinforcing and compounding the extent and complexity of social disadvantages. The inability to meet the demand for services, combined with a trend towards more narrowly targeted services, fosters a service system based on episodic support and 'band-aid' interventions, negating preventative approaches or social policies based on early-intervention.

The patterns in service usage detailed in this section therefore have important implications not only in terms of identifying the operational pressures facing individual organisations, but also indicating potential areas of long term social and economic costs as the needs of an increasing number of people seeking social services remain unmet.

3.2.1 Number of services provided

In 2009-10, respondent organisations provided services on 6,180,282 occasions. This represents a 12% increase on the 5,513,780 instances of service provided by these agencies in 2008-09. The number of services provided in different areas of service delivery is illustrated by Figure 3.6, which depicts the *average* number of times individual organisations provided a service in 2008-09 and 2009-10. The column on the right of this figure shows the *total* number of times services were provided in specific service areas in 2009-10. Some caution should be exercised in comparing the number of services provided across different categories of service delivery, as what constitutes an instance of 'service' provision (and the resources each 'instance' entails) depends on the type and nature of the service delivered (see Section 2.3 above).

Almost all areas of service delivery experienced an increase in the number of services provided. The percentage increase from 2008-09 to 2009-10 was most pronounced for residential aged care and nursing homes (128%), financial support services (50%), services specifically targeting those from Aboriginal and Torres Strait Islander backgrounds (24%), emergency relief (22%), and housing and homelessness services (21%). The only two sub-sectors which experienced a decline in the instances of service provision were family and relationship services, and the cluster of organisations whose primary service fell under the category 'other'.

Areas of service which recorded the highest average number of services per organisation, and the largest total number of services during 2009-10, were information, advice and referral; disability; services for the aged and elderly; and youth services. It should be noted that, while the provision of information, advice and referrals accounted for the greatest number of services, in most instances this was not the primary focus of organisations, but rather occurred in conjunction with other core services. The only two sub-sectors experiencing a decline in the instances of service provision were family and relationship services, and the cluster of organisations whose primary service fell under the category 'other'.

While it is beyond the scope of this report to determine precisely the factors causing the decline in these sub-sectors, there are a range of factors that are likely to have had an impact, particularly in the area of family relationship services. Significant variation was observed at a state and territory level, which may account for some of the particular trends observed in this sector. There may also be definitional issues within this sub-sector, for example, state-funded organisations nominating family relationship services as their primary area of service although they deliver child welfare services. However, these are only partial explanations as the Commonwealth still accounted for the highest proportion of funding to these services. Services at this time were also reporting a discernable increase in the complexity of needs presented by their clients, which corresponded with a changing policy context that emphasised people with multiple disadvantages or who met certain 'vulnerability criteria' as a focus for directing resources and services. As more complex needs typically require more time and resource-intensive services, this may contribute to fewer clients being serviced, while at the same time resulting in a heightening of demand and increased number of people turned away. Other policy changes underway at the time may also have had an impact, such as the review of the Federally-funded Family Relationship Services program.

In addition to an overall growth in the number of services provided across the sector, the growth in specific sub-sectors has occurred at a different rate depending on the locality type. The variation between remote, regional and metropolitan areas can be seen in Figure 3.7, which shows the percentage increase in the number of services provided according to the geographical area of service delivery. As this graph indicates, organisations in remote and regional areas experienced a pronounced and disproportionate growth in the services provided across a range of areas, including health services, legal services and legal advocacy, financial support services, youth services, domestic violence and sexual assault, disability, child welfare, support services for people from Aboriginal and Torres Strait Islander

backgrounds, and services for asylum seekers, migrants and those with refugee backgrounds.

In summary, these findings indicate that, within a twelve-month period, many social services experienced substantial increases in the number of services they provided. This rapid growth in the volume of services delivered has significant implications in terms of organisational and overall sector capacity. Without a commensurate increase in the level of funds available and the number of staff required to deliver services, organisations may be subject to significant pressures, stretching the existing workforce and organisational resources to levels that are unsustainable.

Figure 3.6 Average number of services provided by organisation, according to sub-sectors of service (n=345)

	2009 - 2010	2008 - 2009	AVERAGE instances of service provision per organisation	TOTAL instances for
Information, advice & referral services	2,315	2,066		794,000
Disability	2,115	1,919		723,000
Services for aged & elderly (excl. residential facilities)	1,938	1,639		651,000
Youth	1,907	1,654		637,000
Mental health	1,553	1,320		519,000
Health services (other than mental health)	1,249	1,137		413,000
Other	1,123	1,349		360,000
Housing & homelessness	1,052	872		354,000
Employment & training	1,022	916		340,000
Emergency relief	951	776		324,000
Child welfare & day care	841	712		283,000
Family & relationship services	701	850		235,000
Indigenous support	476	385		160,000
Financial support	366	244		123,000
Legal services & advocacy	310	280		105,000
Migrant, refugee & asylum seeker	252	227		84,000
Domestic violence & sexual assault	161	142		54,000
Residential aged care & nursing homes	61	27		20,000

n=345

Figure 3.7 Percentage increase in the average number of services provided by organisations, according to geographic area of service delivery

Legend: City, Inner Regional, Outer Regional, Remote, Very remote

Categories (top to bottom):
- YOUTH
- MIGRANT REFUGEE ASYLUM SEEKER
- MENTAL HEALTH
- LEGAL SERVICES
- INFORMATION ADVICE REFERRALS
- ATSI
- HOMELESSNESS & HOUSING
- HEALTH
- FINANCIAL SUPPORT
- FAMILY & RELATIONSHIP
- EMERGENCY RELIEF
- EMPLOYMENT
- DOMESTIC VIOLENCE SEXUAL ASSAULT
- DISABILITY
- CHILD WELFARE
- AGED CARE & ELDERLY (excl residential)

n=305
(NB. service categories omitted where n<35 for that category)

Percentage increase in numbers of services provided from 08-09 to 09-10

X-axis: 0%, 50%, 100%, 150%, 200%, 250%

3.2.2 Service demand

Despite the overall increase in services delivered, the majority of organisations indicated that they were unable to meet the demand for their services, with 55% disagreeing or strongly disagreeing with the statement 'our organisation was able to meet demand for our services' (Figure 3.8).

Our organisation was able to meet the demand for our services

- Strongly agree, 6%
- Agree, 28%
- Neither agree nor disagree, 11%
- Disagree, 37%
- Strongly disagree, 18%
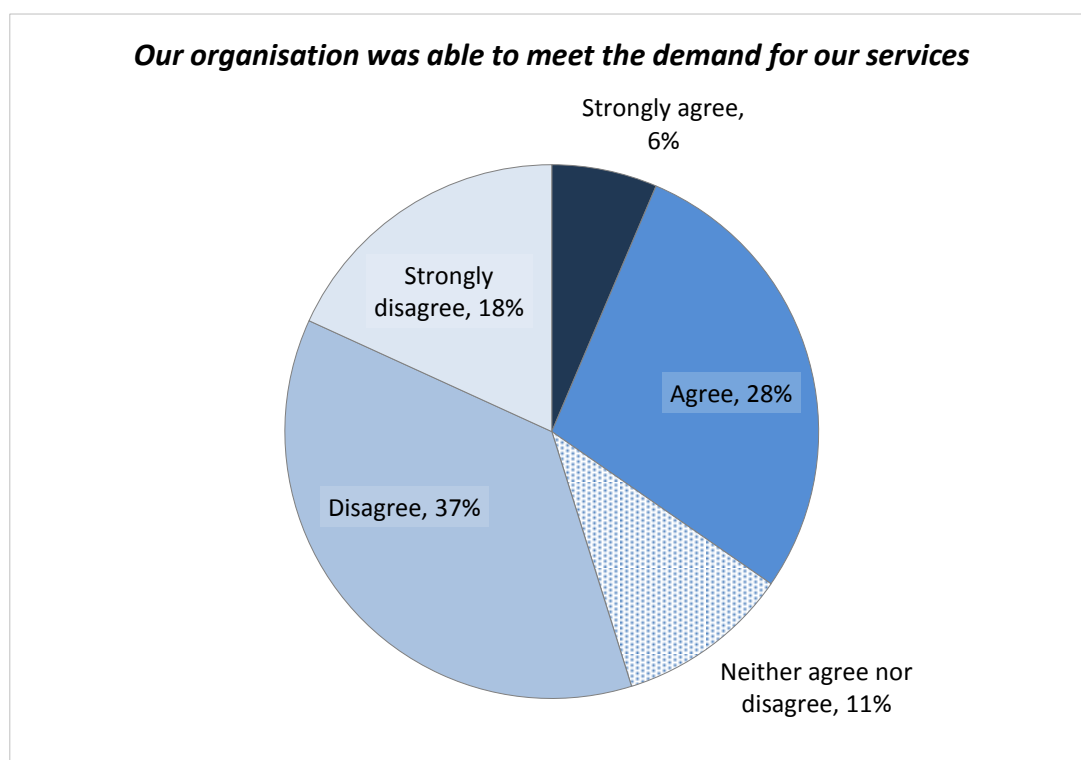
Figure 3.8 Ability to meet demand for services

(N=702)

The difficulties meeting demand were not experienced evenly across all service types. This is highlighted when survey respondents who were unable to meet service demand are disaggregated according to the primary area of service delivery (Figure 3.9). The supply-demand disjuncture was most acute among agencies whose primary area of service was with young people (youth services), with 92% of such organisations stating they were unable to meet the demand for their services. Additional areas where meeting demand was most difficult were disability (72%), child welfare (68%), domestic violence and sexual assault (67%), and migrant, refugee and asylum seeker services (63%).

Figure 3.9 Ability to meet demand for services according to type of service delivered

Percentage of organisations who **disagreed** or **strongly disagreed** with statement:
Our organisation was able to meet the demand for our services

Service type	Percentage
ACROSS ALL SERVICES	55%
Youth services	92%
Disability	72%
Child welfare	68%
Domestic violence & sexual assault	67%
Migrant, refugee, asylum seeker	63%
Family & relationship	61%
Emergency relief	61%
Aged & elderly (excl residential)	57%
ATSI	56%
Alcohol & other drugs	55%
Housing/ homelessness	54%
Other	51%
Legal services	50%
Information, advice, referral	50%
Health (other than mental health)	50%
Financial support	49%
Community development	49%
Mental health	48%
Residential aged care, nursing homes	28%
Employment/training	19%

3.2.3 Turn-away rates

Corresponding to widespread difficulties meeting demand, survey respondents indicated that a substantial number of people were unable to access the social services that they sought. For 2009-10, clients were denied service on approximately 345,000 occasions. This equates to more than one in twenty eligible people seeking social services being turned away, and represents a 19% increase on the 298,000 people turned away in 2008-09.

The turn away rate varied considerably across different areas of service, reaching pronounced levels in areas where the disparity between supply and demand was at crisis point (Figure 3.10).[1] The rate of people turned away was most acute for residential aged care, legal services, Aboriginal and Torres Strait Islander support services, housing and homelessness services, and emergency relief. The significant shortfall in services for homelessness and housing and emergency relief suggests that a large proportion of those experiencing financial hardship were unable to access essential services.[2]

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[1] In this survey, the turn-away rate has been defined as the percentage of the *total* number of services provided. The total number of services in this formulation includes services provided to *new* service users *and* existing/ongoing service users.

[2] The most recent AIHW report (2011) into government-funded specialist homelessness accommodation indicates that, in 2009-10, 58% of all people with new requests for accommodation were turned away on any given day. It should be noted that the AIHW rate measures a specific sub-set of service users and is therefore based on a different method of calculation to that used in this survey. The turn-away rate calculated in this survey for homelessness and housing represents the turn-away as a percentage of the *total* instances of service provided, with the total including services provided to people *continuing* their accommodation from a previous day. A significantly higher rate would be derived if the turn-away rate was to be calculated as a percentage of people requiring a *new* service, which would represent the likelihood of an eligible person approaching a service for accommodation on any given day. This latter formulation is adopted in the recent AIHW report.

Figure 3.10 Number of people turned away for every 100 people seeking service, according to type of service delivered

Number of people turned away for every 100 people seeking service, 2009-10

Service type	Value
Residential aged care & nursing homes	44.3
Legal services	17.4
ATSI support	16.6
Housing/ homelessness	16.0
Emergency relief	11.0
Family & relationship	10.0
Mental health	7.8
ACROSS ALL SERVICES	5.7
Financial support	4.5
Youth services	4.0
Domestic violence & sexual assault	3.8
Child welfare	1.6
Other	1.5
Employment/training	1.1
Aged & elderly (excl residential)	1.0
Disability	0.7
Information, advice, referral	0.6
Health (other than mental health)	0.6
Migrant, refugee, asylum seeker	0.3

n=345

An analysis of the total number of people turned away in specific service categories further highlights the disjuncture between the supply and demand of essential services. Figure 3.11 shows the total number of times eligible people were turned away from specific areas of

service in 2008-09 and 2009-10. As this graph reveals, for the 344 organisations who provided service usage data, there were nearly 50,000 instances in which people were turned away from homelessness and housing services. This equates to a total of 135 being turned away from these services on any given day in 2009-10. Mental health services, emergency relief, youth services and Aboriginal and Torres Strait Islander support services also turned away substantial numbers of people seeking support during 2009-10.

Figure 3.11 Total number of times clients were turned away according to area of service delivery

Area of service delivery	2009-10	2008-09
Housing/ homelessness	49,383	40,586
Mental health	33,444	37,571
Emergency relief	30,333	20,313
Youth services	21,862	16,525
ATSI support	20,516	15,303
Family & relationship	16,982	15,075
Legal services	9,309	8,371
Financial support	4,080	3,716
Disability	4,014	2,856
Aged & elderly (excl residential facilities)	3,651	2,805
Child welfare	3,487	2,239
Information, advice & referral services	3,398	3,236
Employment/training	3,319	2,695
Other	2,531	2,125
Health (other than mental health)	2,171	1,869
Domestic violence & sexual assault	1,597	1,402
Residential aged care & nursing homes	452	421
Migrant, refugee & asylum seeker	213	187

n=344

A comparison between the data for 2009-10 and 2008-09 reveals an increase in the rate and absolute numbers of those turned away from almost all areas of service (Figure 3.12). When considered in conjunction with the overall increase in the numbers of people who were serviced, this finding suggests that the actual numbers of people seeking support from social services increased substantially since 2008-09.

Figure 3.12 Percentage increase in service usage and turn away rates from 2008-09 to 2009-10
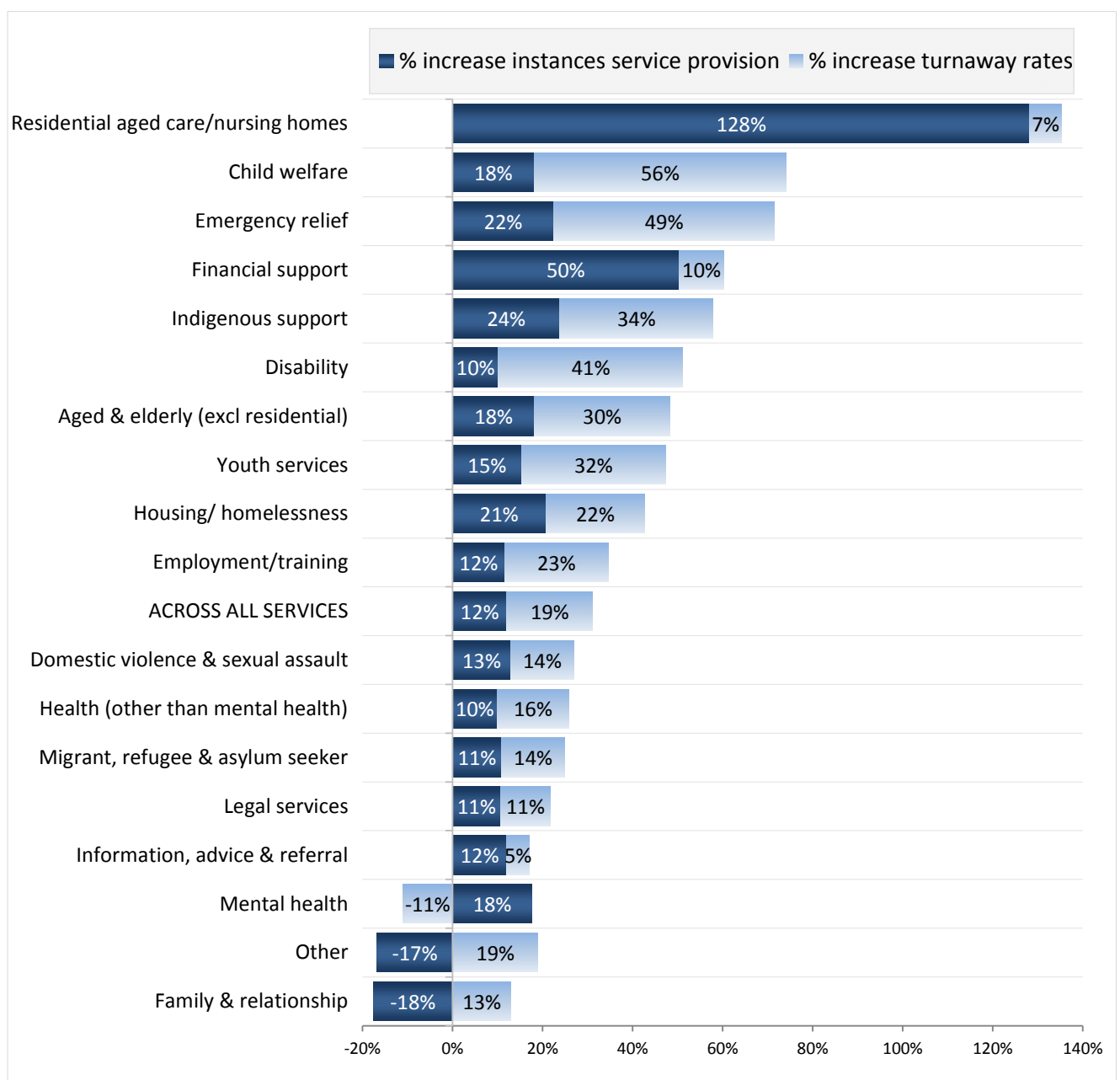
3.2.4 Service targeting

The majority of respondents reported tighter targeting of their services in 2009-10 than in previous years (Figure 3.13). When asked to respond to the statement 'our organisation is targeting its services more tightly than in the past', 60% of respondents agreed (49%) or strongly agreed (11%) with this statement. Only 13% disagreed or strongly disagreed, while just over a quarter neither agreed nor disagreed.

Figure 3.13 Service targeting, across all services

Our organisation targeted its services more tightly than in the past

Strongly disagree 1%
Disagree 12%
Strongly agree 11%
Neither agree nor disagree 26%
Agree 49%

N=705
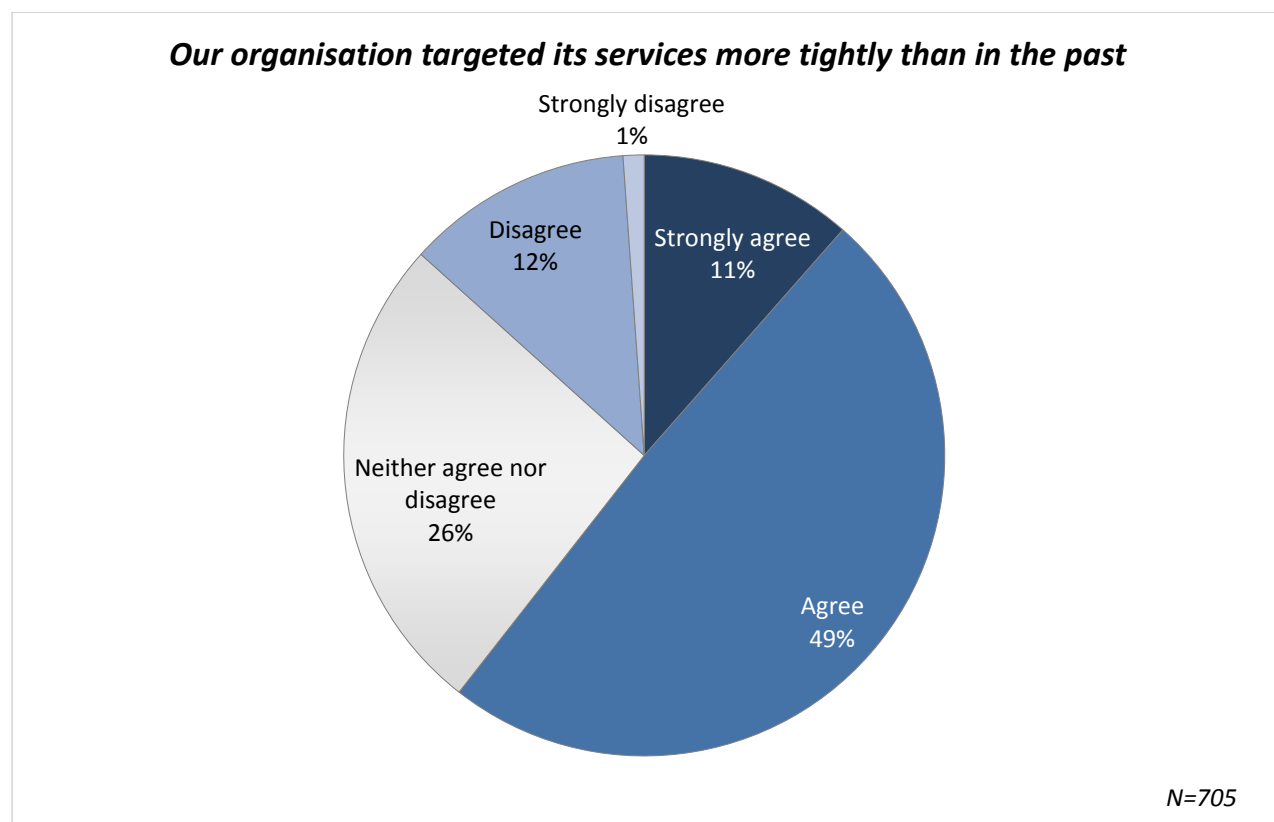
These figures may be further disaggregated to pinpoint areas where the increase in service targeting was most widespread. Figure 3.14 suggests that the tightening of services was most prevalent where the primary service addresses family and relationships, emergency relief, domestic violence and sexual assault, or community development. Over two-thirds of respondents from these sub-sectors agreed or strongly agreed that their services were being more tightly targeted than in the past.

Figure 3.14 Service targeting, according to primary area of service provision

Our organisation targeted its services more tightly than in the past

■ Strongly agree ■ Agree

Category	Strongly agree	Agree
Family & relationship	11%	61%
Emergency relief	18%	53%
Domestic violence & sexual assault	17%	51%
Community development	4%	63%
Migrant, refugee and asylum seeker	25%	40%
ATSI	14%	50%
Legal services & advocacy	15%	49%
Other	4%	60%
Disability	12%	51%
Across all services	11%	49%
Youth	9%	49%
Health (other than mental health)	18%	39%
Employment/ training	6%	50%
Information, advice, referral	11%	44%
Housing/ homelessness	9%	45%
Mental health	17%	34%
Child welfare, day care	8%	32%

Several factors may contribute to a narrower targeting of social services. When demand outstrips the capacity to supply services, organisations will often ration services by tightening the eligibility criteria for prospective clients, or limiting the scope and extent of services offered to individual service users. This varies depending on the area of service delivery, but can involve directing services to people in the greatest need, or focusing on interventions that address immediate crises rather than underlying needs (i.e. 'band-aid' interventions). Alternatively, government policy and practices may compel organisations to target services toward specific clients. Performance-based funding contracts often prescribe target groups or require specific output measures to be met. To secure funding and meet contractual requirements, organisations may therefore prioritise designated target groups. Where there is an emphasis on meeting numerical targets or outputs, contractual requirements may induce organisations to focus on service users who are 'cheaper' or whose needs are easier to meet. In other words, the imperatives of rationalising resources and meeting output measures can discourage organisations from engaging with individuals with more complex needs who may require more resource-intensive interventions.

Although the survey data do not enable the relative impact of these different factors to be determined, they do indicate that tighter service targeting correlates with difficulties meeting service demand and contractual requirements with government. In particular, there was a strong positive correlation between tighter service targeting and those organisations who reported that contract requirements and red tape were adversely impacting on their ability to deliver services (0.15), and a positive correlation (albeit weaker) between service targeting and those organisations who reported government contracts stifled service innovation (0.05). There was also a positive correlation between service targeting and reliance on government funding. That is, the proportion of organisations who reported narrowing the targeting of their services was significantly higher amongst organisations heavily dependent on government funding than those agencies that derived most of their funding from donations, client fees, and other non-government sources.

3.2.5 Areas of unmet need

Organisations were asked to indicate the level of unmet need among their service users for supports and services that they as an organisation did not provide. In response to this question, organisations reported a high level of unmet need across a wide range of services.

As Figure 3.15 indicates, unmet need was most acute in the area of mental health, with an overwhelming 89% of organisations identifying this as an area of high or medium need. The level of unmet need was also particularly pronounced in the areas of homelessness and housing (87%), family and relationship services (82%), general health (82%), emergency relief (78%), and employment and training (78%).

The high level and variety of unmet need was consistent with both an increasing complexity in the issues service users face, and policy and service delivery systems ill-equipped to deal with this complexity. Addressing these challenges is central to a range of key social policy strategies, including the white paper for homelessness and successive national strategies and plans for mental health (see for example FaHCSIA 2008). However, with homelessness and mental health emerging as the two areas of greatest unmet need in this survey, it appears these policy and program challenges persist and pose ongoing issues for organisations working at the coal-face of service delivery. The following figure represents services or supports that people with high and medium needs sought but were not able to access adequately.

Figure 3.15 Unmet need: services or supports sought by people with high and medium needs.

Legend: ■ High need ▩ Medium need

Service	High need	Medium need
Mental health	58%	31%
Housing/ homelessness	68%	19%
Family & relationship services	43%	39%
Health (other than mental health services)	39%	43%
Emergency relief	51%	27%
Employment/ training	37%	41%
Financial support services	43%	33%
Legal services & advocacy	35%	40%
Information advice and referral	38%	37%
Youth	40%	35%
Child welfare, day care	37%	37%
Domestic violence & sexual assault	38%	34%
Disability	35%	36%
ATSI support	32%	34%
Other	52%	9%
Services for aged & elderly (excl residential facilities)	26%	33%
Migrant, refugee, asylum seeker	24%	28%
Residential aged care & nursing homes	21%	24%

n=635

3.2.6 Profile of service users

Although social services are accessed by a broad cross-section of the community, certain population groups figure more prominently than others. Organisations were asked to identify the profile of services according to a range of characteristics including age, gender, and employment status and, where applicable, the type of government payment they received.

Mapping the service user profile against wider population demographics reveals service areas where specific groups are under- or over-represented. Examining the extent to which certain groups are over-represented as service users can be a useful means of tracking areas of need. Conversely, an under-representation of sub-populations known to have heightened needs can be indicative of service inequities, suggesting barriers to accessing existing services or a lack of availability or appropriate services.

Age

As this age profile suggests, people aged 15-24 years of age were overrepresented in a number of service categories relative to their representation in the wider Australian population. In particular, this age group were significantly overrepresented in homelessness and housing services, where they comprised over a third of all clients. A disproportionately high number of 15-24 year olds also accessed alcohol and other drugs agencies, family and relationship services, and emergency relief organisations. The age profile of those accessing migrant, refugee and asylum seeker services showed a noticeable departure from the age structure of the wider population, with a significant overrepresentation of the youth age cohort and those aged over 65.

Figure 3.16 Age profile across all services and according to primary area of service delivery

	Percentage (%)			
	0-14 years %	15-24 years %	25-64 years %	65+ years %
ACROSS ALL SERVICES	10.9	22.6	48	18.5
AUSTRALIAN POPULATION	18.9	14	53.5	13.6
Youth services	18	63	15.4	3.5
Child welfare	43.9	14.6	34.2	7.3
Housing/ homelessness	10.2	33.6	49.3	6.9
Alcohol & other drugs support	13.8	24.8	55.7	5.7
Family & relationship	16.6	21.2	54.8	7.3
Domestic violence & sexual assault	12.5	21.3	61.3	5
Disability	14.7	18.4	49.4	17.6
Community development	13.4	17.4	45.4	23.9
Migrant, refugee, asylum seeker	9.5	19.7	39.5	31.3
Other	7.9	20.8	53.5	17.8
Employment/ training	7.2	20.4	66.1	6.3
Health (other than mental health)	5.2	21	51.2	22.7
Emergency relief	4.5	20.9	59.4	15.2
ATSI support	4.6	20.6	56.4	18.4
Mental health	1.8	19.8	71.2	7.2
Legal services	2	18.3	66.7	13
Residential aged care, nursing homes	2.2	17.3	21.6	59
Financial support	0.1	16.5	72.5	10.8
Information, advice, referral	9.3	6.1	55.4	29.2
Aged & elderly (excl residential)	4.2	3.2	15.8	76.8

n=521

☐ 0-14 years % ☐ 15-24 years % ■ 25-64 years % ☐ 65+ years %

National survey findings   31

Table 3.17 provides a profile of users with different characteristics accessing community services during 2009-10.

Table 3.17 User profile according to primary area of service delivery[3]

	People with a disability %	ATSI %	Jobless %	CALD %	Single parents %	Women %	Not Australian citizens %
ACROSS ALL SERVICES *n*=576	**32.0**	**15.8**	**47.8**	**20.1**	**27.5**	**57.3**	**6.8**
Employment/ training	22.3	18.7	37.0	29.6	21.4	48.8	7.1
Disability	88.3	9.8	45.7	16.1	10.3	39.9	1.1
Housing/ homelessness	30.5	19.0	70.8	17.6	34.9	55.1	5.5
Child welfare, day care	10.5	11.1	29.3	14.9	29.2	62.1	3.0
Youth	13.2	18.8	56.0	13.5	22.3	50.5	4.4
Domestic violence & sexual assault	17.6	28.2	67.3	18.3	58.9	92.4	10.3
Family & relationship services	7.2	16.1	35.6	11.4	43.2	60.4	2.7
Emergency relief	19.4	12.8	55.3	19.8	39.2	57.2	10.6
Financial support services	23.6	15.6	32.7	16.8	30.3	49.5	4.2
Mental health	62.0	13.0	60.5	10.5	27.8	52.0	2.8
Health (other than mental health)	33.8	9.5	35.0	20.7	22.1	67.4	9.2
Information, advice, referral	51.8	2.9	30.9	22.4	20.9	59.4	3.0
Legal services & advocacy	22.8	11.7	37.7	18.4	27.0	61.5	5.6
Migrant, refugee, asylum seeker	12.1	0.6	47.3	98.0	27.3	45.0	42.0
Indigenous support	13.6	84.6	51.8	15.0	39.5	54.1	2.4
Aged & elderly (excl residential facilities)	19.5	2.8	33.4	15.0	4.1	65.6	4.3
Community development	20.1	5.7	34.6	18.7	23.6	58.1	10.9
Alcohol & other drugs support	15.0	43.7	51.7	44.8	17.7	37.8	3.3
Other	23.4	19.3	49.3	16.3	29.7	55.9	6.0
AUSTRALIAN POPULATION	**18.5**[4]	**2.5**[5]	**34.8**[6]	**21.0**[7]	**4.3**[8]	**50.0**[9]	**4.6**[10]

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[3] Organisations were asked to indicate the proportion of their service users (as a percentage) who corresponded to the designated demographic population groups. The percentages provided in here represent the mean of these percentages (rather percentages based on the actual aggregate number of service users). The level of detailed demographic information that organisations maintain in relation to their clients varies considerably; for some services, to provide the precise numbers of service users with given demographic traits is difficult as they do not collect such data.

[4] ABS 2009

[5] ABS 2006

[6] This figure is derived from the mean of the monthly workforce participation rates reported in ABS, Labour Force, July 2009 – June 2010

[7] Proportion of people who speak language other than English at home (ABS 2006)

Among those accessing support from social services, there were several population groups who were notably overrepresented across all service types and in particular areas of service delivery.

Single parents were disproportionately high users of social services. Although they constituted approximately 4.3% of the total population, single parents comprised over a quarter (28%) of service users across all organisations. The incidence of single parents accessing services was seven times their representation in the wider population. For this population group, the level of overrepresentation was most pronounced in agencies where the primary area of service delivery was domestic violence and sexual assault (59%), family and relationship services (43%), Aboriginal and Torres Strait Islander services (40%), emergency relief (39%), homelessness and housing (35%), and financial support services (30%).

People from Aboriginal and Torres Strait Islander backgrounds were also significantly overrepresented as service users. Across all services they accounted for 16% of clients' – or more than six times their actual representation in the Australian population. This proportion was even higher in alcohol and other drugs services (44%), domestic violence and sexual assault services (28%), housing and homelessness services (19%), and services providing employment support and jobs training (19%).

The stark overrepresentation of single parents and people from Aboriginal and Torres Strait Islander backgrounds mirrors data showing that these sub-groups are at a heightened risk of poverty and multiple deprivation[11] (ACOSS 2010; Saunders et al 2007; Saunders & Wong 2009). The survey data therefore point to the vital role that the provision of, and support for, community services plays in combating deprivation.

Particular areas of service delivery also reveal distinctive patterns of usage among certain sub-groups. Most of the population groups were overrepresented in homelessness and housing services. In addition to a disproportionate number of single parents and people from Aboriginal and Torres Strait Islander backgrounds seeking such services, nearly 71% of those accessing homelessness and housing services were jobless.

Those who were jobless also comprised over 60% of those seeking support from mental health services. In contrast, those from a CALD background were significantly underrepresented as consumers of mental health services. This underrepresentation is consistent with patterns of usage that have been documented elsewhere, with studies suggesting that people from CALD backgrounds are consistently underrepresented in

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[8] ABS 2007

[9] ABS 2006

[10] ABS 2006

[11] Multiple deprivation is experienced by those unable to afford a number of basic items most people regard as essentials of life. Saunders et al 2007 maintain that sole parents are at an increased risk of poverty and deprivation, with an estimated 49% experiencing multiple deprivations.

community mental health services, yet overrepresented in involuntary admissions to inpatient facilities (Stolk et al 2008; Sobolewska 2005; Alizadeh-Khoei 2008). Furthermore, it has been argued that this disparity is widening (Stolk et al 2008). While the survey data cannot confirm service usage trends amongst particular population groups, they do suggest that those from a CALD background continue to experience significant inequities in access to mental health services.

Government pensions and other income support payments received

Figure 3.18 provides a break-down of service users according to the type of government pension, allowance or other income support payment they received.

As this table indicates, the disability support pension and parenting payments were the most common income support payments received by service users. The proportion of service users receiving the disability support pension was highest among housing or homelessness services (32%) and mental health services (62%). Those receiving Newstart Allowance also comprised a substantial proportion of those accessing services for homelessness or housing, emergency relief, financial support, Aboriginal and Torres Strait Islander support, alcohol and other drugs, and services for those from a migrant, refugee or asylum seeker background.

Figure 3.18 Income support payments according to primary area of service delivery

	Aged pension %	Disability pension %	Parenting payment (Single) %	Carer payment %	Carer allowance %	Newstart allowance %	Youth allowance %	Other pension %	Other allowance %
Employment/ training	3.6	23.7	8.3	1.3	2.5	29.2	6.4	0.0	0.0
Disability	15.9	67.6	6.9	8.8	12.9	5.2	2.4	3.3	1.5
Housing/ homelessness	7.6	31.5	27.3	3.0	2.4	26.5	22.4	5.6	6.7
Child welfare, day care	6.0	10.6	29.1	7.2	4.6	5.2	2.1	5.7	10.7
Youth	4.1	8.9	18.6	3.9	3.8	16.2	43.9	2.7	1.9
Domestic violence & sexual assault	7.9	17.5	48.5	11.1	11.9	24.2	11.0	11.8	11.9
Family & relationship	10.4	13.5	38.6	8.1	10.5	18.8	11.2	6.5	5.7
Emergency relief	17.8	27.1	33.4	13.1	7.5	32.1	13.4	4.9	4.8
Financial support services	9.6	27.3	27.7	4.9	5.2	19.0	3.3	9.4	10.2
Mental health	9.1	61.5	10.4	10.9	5.2	12.4	2.7	1.3	1.1
Health (other than mental health services)	26.1	17.1	12.6	16.0	18.5	9.3	4.5	9.9	3.5
Information, advice, referral	40.6	28.2	11.8	12.0	12.2	4.4	1.6	6.2	0.0
Legal services & advocacy	9.2	20.6	15.7	3.6	4.5	17.5	4.2	7.0	5.6
Migrant, refugee, asylum seeker	42.4	14.0	21.0	8.4	10.6	26.3	9.6	17.4	2.8
Indigenous support	20.3	12.4	35.0	3.1	5.3	34.4	9.2	13.0	7.7
Residential aged care & nursing homes	60.0	30.0	10.0	0.0	0.0	0.0	10.0	5.0	0.0
Services for the aged & elderly (excl. residential)	68.8	12.6	4.9	4.4	3.5	1.6	0.4	12.7	1.2
Community development	24.9	16.9	21.8	5.8	6.2	18.0	9.1	7.7	1.4
Alcohol & other drugs support	0.3	25.0	27.0	0.3	0.5	30.8	22.0	30.8	27.0
Other	15.0	22.1	25.6	11.9	13.1	22.1	8.1	7.6	3.7
Across all services	**18.8**	**28.0**	**23.1**	**7.9**	**8.2**	**18.7**	**12.0**	**7.1**	**4.6**
n=481									

3.3 Workforce

Concerns about workforce sustainability and viability are well established within the community sector. Developing, supporting and sustaining the community sector workforce poses a critical challenge to the sector, and to governments concerned about the effectiveness of their funding for community services, as a number of trends relating to labour dynamics, working conditions, and workforce converge. These issues were given added impetus during the period that this survey covers, with several significant events and landmark reports highlighting the workforce challenges faced by the non-government community services sector.

In November 2009 the Australian Services Union launched an equal remuneration application to Fair Work Australia for community sector workers. This application came on the back of an equal remuneration precedent set in the Queensland Industrial Relations Commission in May 2009, which found that social and community services workers in Queensland had been undervalued and that wage adjustment to the Queensland Community Services and Crisis Assistance State Award was needed to remedy this situation. In January 2010 the Productivity Commission released its report into the contribution of the not-for-profit sector, indicating clearly the contribution that social and community services make economically as well as socially (PC 2010). The PC also lent weight to the claim of unequal pay in the sector with its recommendation that Australian governments purchasing community services base their funding on relevant market wages for equivalent positions. Finally, the introduction of the modern award system in July 2009 had the potential for significant impacts in the community sector, although in the end the implementation of the key Social, Community, Home Care and Disability Services Award was delayed with the announcement of the equal pay case.

Within the sector, workforce challenges are multi-faceted and dynamic, and manifest in various ways in different service sub-sectors and in different organisational and geographic contexts. Nevertheless, across these different domains a number of recurring challenges for the workforce have been identified. These include:

- *Rapid growth of the workforce* over the past decade, growing at a rate that outstrips employment growth across the entire economy (Productivity Commission 2009:68).

- *Labour dynamics*, including high levels of turnover; shortages of qualified and specialist staff; acute recruitment and retention difficulties outside metropolitan areas; and uncoordinated pathways to entry into community sector employment;

- *Working conditions*, including pay which is lower than in equal or comparable industries; inter-sectoral pay inequity; high caseloads; performance of unpaid hours; emotional exhaustion and burnout; poor support for staff development; limited career paths; unclear boundaries between professional and non-professional roles; poor supervisory and management capacity; and high incidence of workplace incidents and adverse events and

- *Worker characteristics*, including workforce ageing; over-representation of women; high proportions of part time, casual and temporary staff; shortages of Aboriginal and Torres Strait Islander and culturally and linguistically diverse CALD staff.

- While the ageing of the Australian workforce is a national trend (Kryger, 2005), human services workers are particularly affected. On average, care workers in community services are older than workers in other industries, and this in itself can make it difficult to recruit younger people into the industry, compounding concerns about workforce sustainability when the older generation retires (Meagher & Healy 2005).

The survey reaffirmed the following workforce challenges facing the community sector:

- additional issues included difficulties recruiting and retaining volunteers;

- volunteer burn-out;

- the increasing costs of engaging volunteers;

- the lack of volunteers with the requisite skills and training needed in particular areas of service delivery; and

- an inability to plan ahead for some organisations solely dependent on volunteers, given the uncertainty and lack of continuity in their workforce.

3.3.1 Workforce composition

Across the non-government NFP community sector there was a wide variation in the size and composition of the workforce. This variation is demonstrated by Table 3.19, which presents the average organisational numbers of paid staff, volunteers, and paid and unpaid board members in different areas of service delivery.

Table 3.19   Average number of paid and volunteer staff employed by organisations, according to primary area of service delivery

	Paid staff (FTE)	Voluntary staff (FTE)	Total Staff (FTE)	Paid board/ management committee	Voluntary board/ management committee
ACROSS ALL SERVICES	**65.8**	**27.6**	**93.4**	**0.3**	**7.6**
Other	217.2	73.5	290.6	0.5	7.7
Disability	151.5	22.9	174.3	0.4	6.9
Family & relationship	99.4	42.6	142.0	0.1	8.8
Child welfare, day care	80.1	49.4	129.5	0.0	7.4
Mental health	29.2	61.5	90.7	0.6	7.4
Health (other than mental health)	54.2	25.6	79.9	0.0	8.8
Youth	53.5	15.4	68.9	0.7	6.7
Employment/ training	42.7	9.2	51.9	0.0	8.5
Migrant, refugee, asylum seeker	17.5	32.5	50.0	0.1	9.2
Residential aged care, nursing homes	44.5	0.0	44.5	0.0	4.5
ATSI support	31.4	6.3	37.8	3.3	8.7
Aged & elderly (excl. residential facilities)	17.3	19.9	37.1	0.4	7.3
Housing/ homelessness	25.7	9.5	35.2	0.6	7.8
Emergency relief	2.9	28.8	31.7	0.3	6.8
Community development	16.6	12.7	29.3	0.0	8.3
Alcohol & other drugs support	25.0	0.0	25.0	0.0	8.0
Legal services & advocacy	8.8	14.1	22.9	0.0	7.7
Information, advice, referral	9.8	7.3	17.0	0.0	9.6
Domestic violence & sexual assault	7.2	1.3	8.5	0.4	6.7
Financial support	3.7	0.1	3.8	0.1	4.7

(*n*=402)

As the workforce composition data reveal, organisations from the disability, family and relationships, and child welfare sectors typically employed the largest number of staff, in addition to organisations whose primary service was uncategorised (i.e. 'Other'). Those organisations whose primary service was financial support or domestic violence and sexual assault tended to employ the fewest staff.

Across surveyed organisations, most boards or management committees acted in a voluntary, unpaid capacity. This contrasted with private and public sector boards, which are typically renumerated.

The size and make-up of the workforce further varies according to the organisational size and the type of locality out of which organisations operate (Table 3.20). As might be expected, larger organisations (i.e. organisations with a larger income) employed the greatest number of staff. In contrast, very small organisations employed on average less than two full-time staff.

Organisations operating in cities had the largest workforce relative to organisations based in regional or remote areas. Whilst very remote organisations tended to employ more staff than those organisations based in less remote or in regional areas, it should be noted that many of the surveyed organisations in very remote regions operated out of a number of localities, with staff spread across several locations.

Table 3.20 Average number of paid and volunteer staff employed by organisations, according to organisation size and locality type

	Paid staff (FTE)	Voluntary staff (FTE)	TOTAL staff (FTE)	Paid board/ management committee	Voluntary board/ management committee
ORGANISATION SIZE					
Very small	1.7	8.9	10.5	0.0	7.3
Small	4.9	18.1	22.9	0.0	7.4
Medium	8.6	16.1	24.7	0.0	7.4
Large	20.8	13.0	33.8	0.1	8.7
Very large	237.9	117.7	355.6	1.0	8.5
LOCALITY TYPE					
Very remote	42.5	26.7	69.2	6.7	10.3
Remote	11.4	15.2	26.5	0.0	8.0
Outer regional	16.9	14.6	31.5	0.4	7.5
Inner regional	23.3	15.1	38.4	0.0	7.3
City	100.4	36.6	136.9	0.4	7.7

A distinctive feature of the social services workforce is the significant contribution that is made by volunteers. ABS data show that the community sector relies heavily upon volunteers, with 36% of the workforce being voluntary (ABS, 2010). Furthermore, the survey data reveal some key patterns within community services, with a clear relationship existing

between the relative proportions of volunteers to paid staff and the organisational size, locality and area of service delivery.

As indicated in Figure 3.21, the proportion of volunteers to paid staff was significantly higher in smaller organisations and in organisations in regional and remote areas, with volunteers comprising over two-thirds of the workforce in these organisations. The proportion of volunteers also showed substantial variation across different areas of service delivery, with the heaviest reliance on volunteers among those agencies providing emergency relief, mental health services, or support for migrants, refugees and asylum seekers.

While the survey data confirm the significant contribution volunteers make to the delivery of social services, organisations that were dependent on voluntary staff faced a range of challenges. When asked to identify the three most important issues they faced in 2009-10, the most prevalent issue associated with volunteers related to a lack of resources and capacity to manage, coordinate or train volunteers. As one organisation stated:
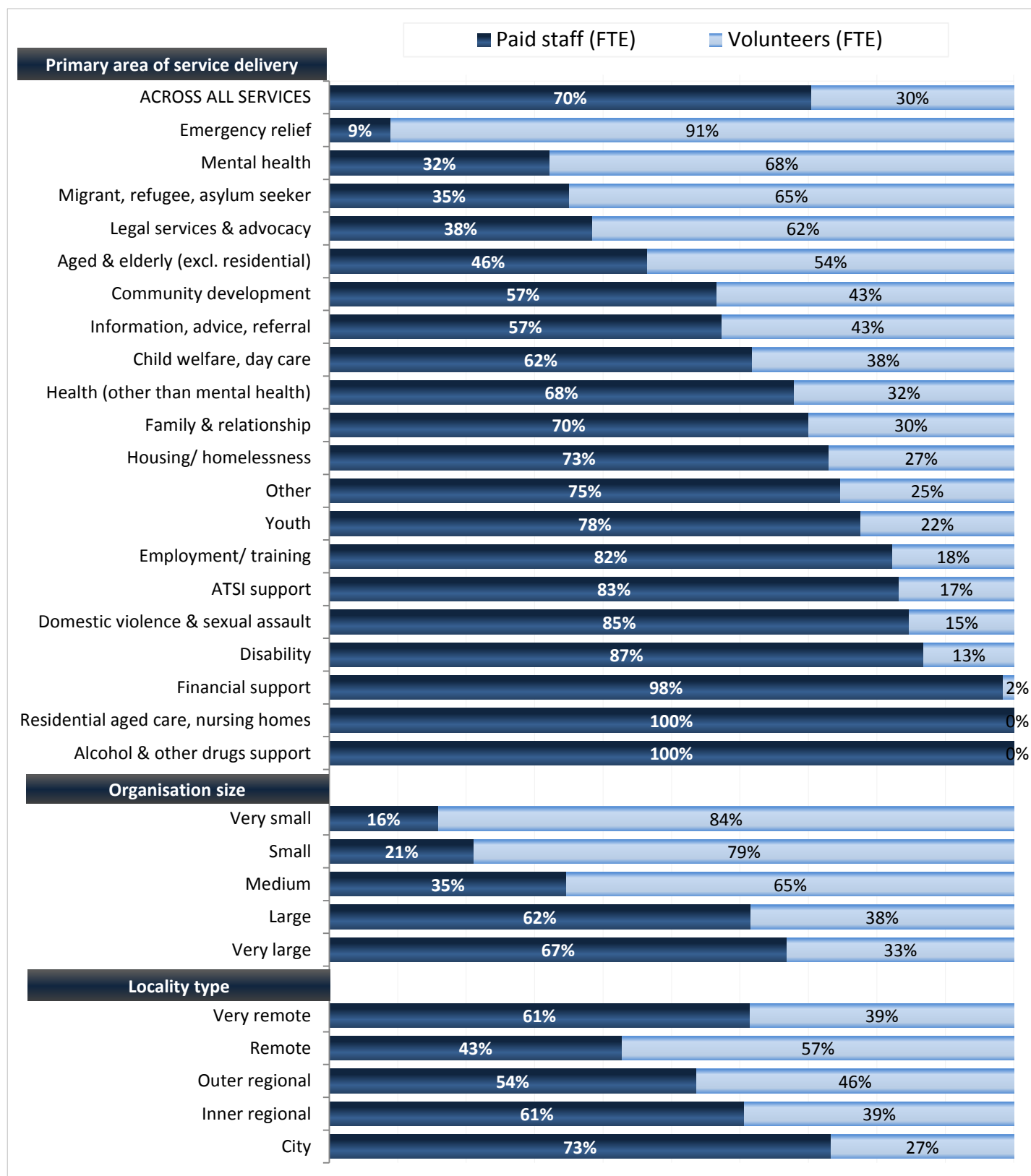
Lack of funding to cover a full-time volunteer coordinator [is a major issue for our organisation]. We have had to expand our services significantly to meet demand and due to some additional program funding. But we rely heavily on volunteers and have had no additional funding to cover the costs of coordinating volunteers. Existing staff are already over-stretched and don't have capacity to undertake this coordinating role which is vital but labour-intensive. This raises duty of care risks to the organisation, clients, staff and volunteers (survey respondent).

Additional issues included difficulties recruiting and retaining volunteers; volunteer burn-out; the increasing costs of engaging volunteers; the lack of volunteers with the requisite skills and training needed in particular areas of services delivery; and, for some organisations solely dependent on volunteers, an inability to plan ahead given the uncertainty and lack of continuity in their workforce. The response from an organisation providing emergency relief and homelessness support encapsulates a range of these issues:

Volunteer burnout/fatigue [is a major issue for organisation]. Most of our services are unfunded, and the growth in demand has not been matched by a growth in the number of volunteers. Retaining volunteers is an ongoing problem, due in part to the massive workload and insufficient resources to provide coordination and support for new volunteers. This situation threatens our sustainability as an organisation, placing serious strain on existing volunteers, many of whom are working long hours, without support, and increasingly unable to deal with the many and complex needs of people seeking assistance (survey respondent).

While few organisations paid their board members, those organisations that did were large or very large organisations. When identifying prominent issues they had faced over 2009-10, a few organisations noted that the voluntary nature of board membership made it difficult to attract or retain board members with the appropriate skills or experiences. Continual turnover in boards or management committees were seen to contribute to organisational instability and to detract from service delivery and planning.

Figure 3.21 Relative proportions of paid staff and volunteers in workforce, according to primary area of service delivery

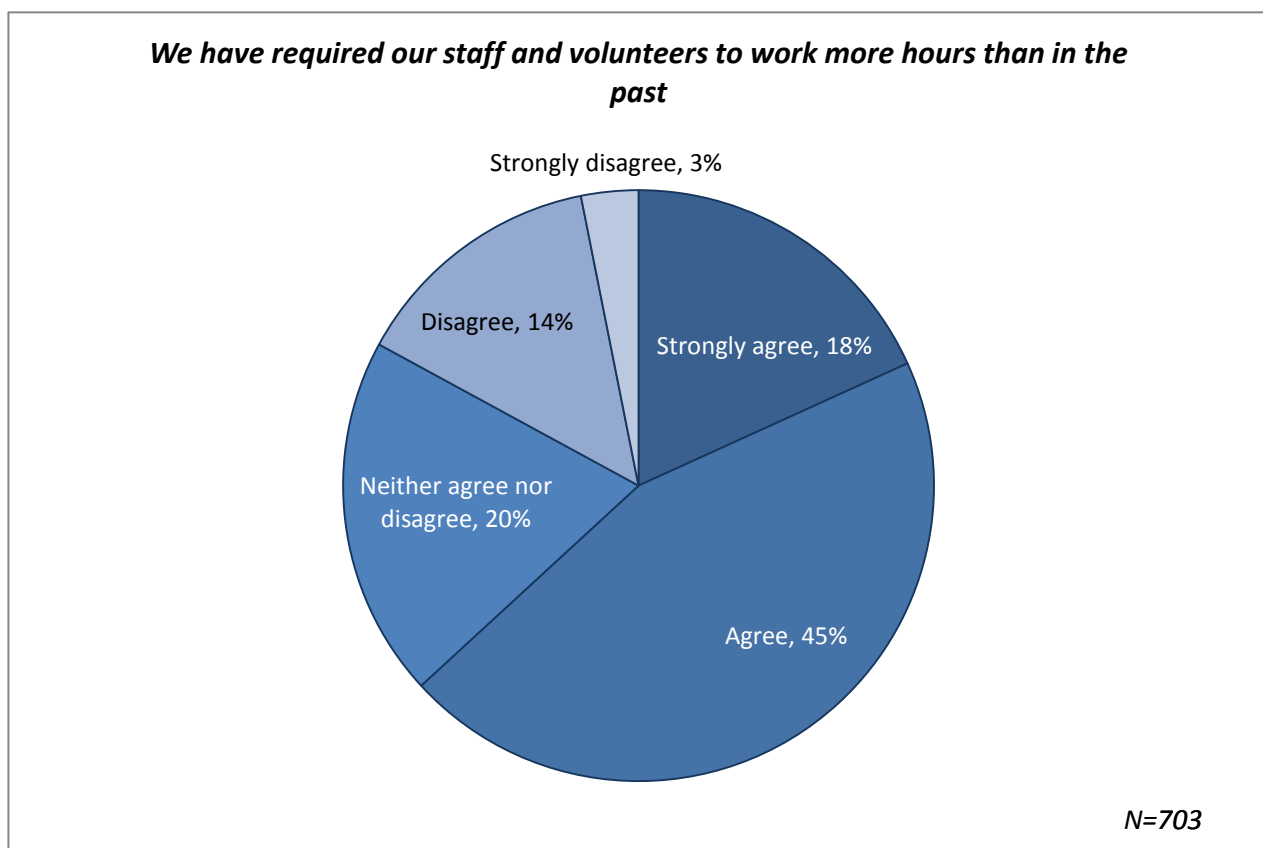|	Paid staff (FTE)	Volunteers (FTE)
Primary area of service delivery		
ACROSS ALL SERVICES	70%	30%
Emergency relief	9%	91%
Mental health	32%	68%
Migrant, refugee, asylum seeker	35%	65%
Legal services & advocacy	38%	62%
Aged & elderly (excl. residential)	46%	54%
Community development	57%	43%
Information, advice, referral	57%	43%
Child welfare, day care	62%	38%
Health (other than mental health)	68%	32%
Family & relationship	70%	30%
Housing/ homelessness	73%	27%
Other	75%	25%
Youth	78%	22%
Employment/ training	82%	18%
ATSI support	83%	17%
Domestic violence & sexual assault	85%	15%
Disability	87%	13%
Financial support	98%	2%
Residential aged care, nursing homes	100%	0%
Alcohol & other drugs support	100%	0%
Organisation size		
Very small	16%	84%
Small	21%	79%
Medium	35%	65%
Large	62%	38%
Very large	67%	33%
Locality type		
Very remote	61%	39%
Remote	43%	57%
Outer regional	54%	46%
Inner regional	61%	39%
City	73%	27%

3.3.2 Staff workload

A third of surveyed organisations indicated that their staff and volunteers were working more hours than in the past (Figure 3.22).

This proportion was even higher among very small organisations, with 76% agreeing or strongly agreeing that their staff or volunteers were working more hours than in the past.

The increase in staff workloads further varied according to the primary area of service provision. Organisations were most likely to report an increase in staff working hours if they were providing information, advice and referrals (83%); mental health services (77%); services for the aged and elderly (excluding residential facilities); community development (72%); disability services (71%); and emergency relief (70%).

Despite the overall trend towards an increase in the hours that staff and/or volunteers worked, only 21% identified working hours to be an impediment in recruiting staff (see Section 3.3.4 below).

Figure 3.22 Increases to the workload of staff and volunteers

We have required our staff and volunteers to work more hours than in the past

Strongly disagree, 3%
Disagree, 14%
Strongly agree, 18%
Neither agree nor disagree, 20%
Agree, 45%

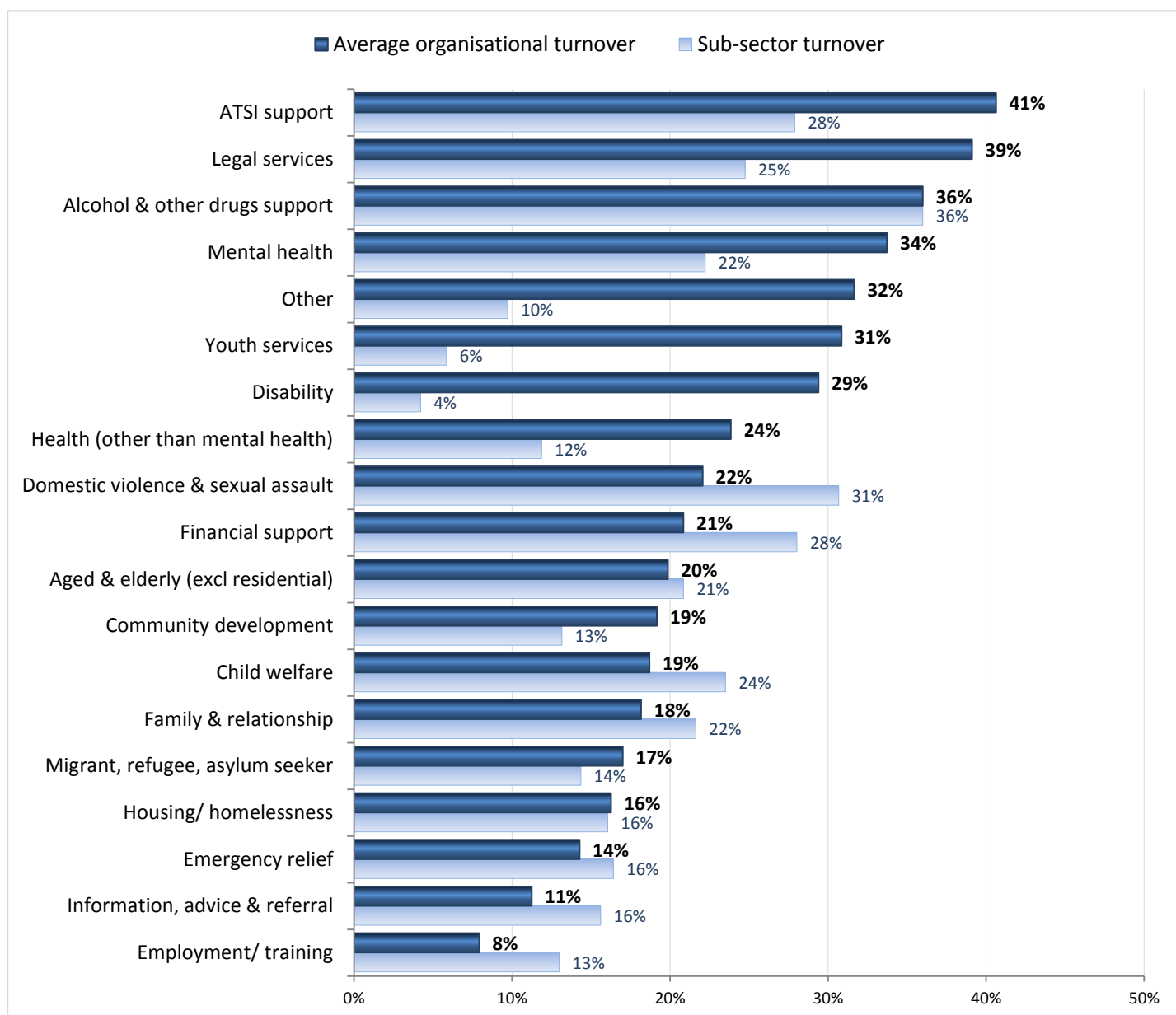*N=703*

3.3.3 Staff turnover

High staff turnover is consistently identified as a key workforce challenge for the community services sector (Briggs et al 2007; ASU 2007; ACOSS 2010). Apart from the loss of expertise and continuity, staff turnover can be a major additional cost factor which drains resources away from service delivery and staff development and training. For the community sector, the labour-intensive nature of much service delivery, combined with the investment required in staff collaboration and the small size of many organisations, means that the impact of staff turnover can be more profound than what might be experienced in most other industries.

Table 3.23 Staff hired and left 2009-2010

	Hired (FTE)	Left (FTE)	Net increase (FTE)
Administration and finance	550	258	292
Communications/ Media	86	36	50
Management	531	204	327
Policy, research or advocacy	143	61	82
Service delivery	9,449	1,668	7,781
Other	484	345	138
TOTAL	**11,243**	**2,573**	**8,670**

Analysing staff turnover for social services is particularly difficult because of the enormous diversity in terms of the scale and scope of operations, both in terms of the diversity of organisations working within social services and wide variation in workforce size. Given this, different methods of calculating turnover reveal different dimensions of this issue. Figure 3.24 shows annual staff turnover both in terms of an organisational average and at a sub-sector level. The average organisational turnover figures indicate the typical turnover rates organisations are experiencing within a sector, irrespective of their size. In this regard, it is a measure that reflects the potential strain and pressure being experienced across all organisations. However, it is a measure that can distort data towards small organisations in a way that masks the proportion of employees who may be exiting their positions across an entire sector. To balance out this effect we include the sub-sector turnover figures, which provide an indication of the volume of movement in and out of organisations across an entire sub-sector. Sub-sector turnover reflects the absolute number of employees who are exiting (relative to the absolute number employed within that sector), and is therefore weighted toward those organisations that employ the largest number of staff, and who typically deliver a larger number of services relative to small organisations.

Figure 3.24 Staff turnover according to primary area of service delivery

■ Average organisational turnover   ■ Sub-sector turnover

Primary area of service delivery	Average organisational turnover	Sub-sector turnover
ATSI support	41%	28%
Legal services	39%	25%
Alcohol & other drugs support	36%	36%
Mental health	34%	22%
Other	32%	10%
Youth services	31%	6%
Disability	29%	4%
Health (other than mental health)	24%	12%
Domestic violence & sexual assault	22%	31%
Financial support	21%	28%
Aged & elderly (excl residential)	20%	21%
Community development	19%	13%
Child welfare	19%	24%
Family & relationship	18%	22%
Migrant, refugee, asylum seeker	17%	14%
Housing/ homelessness	16%	16%
Emergency relief	14%	16%
Information, advice & referral	11%	16%
Employment/ training	8%	13%

3.3.4 Recruitment and retention

Across the sector, salary and job security proved to be the greatest impediments to recruiting or retaining staff. Figure 3.30 shows that these two factors were uniformly identified as significant barriers across the organisations surveyed. However, the ultimate impact that these and other factors had on recruitment and retention varied according to primary area of service, geographic location and size.

Figure 3.25 Factors impacting on staff recruitment and retention
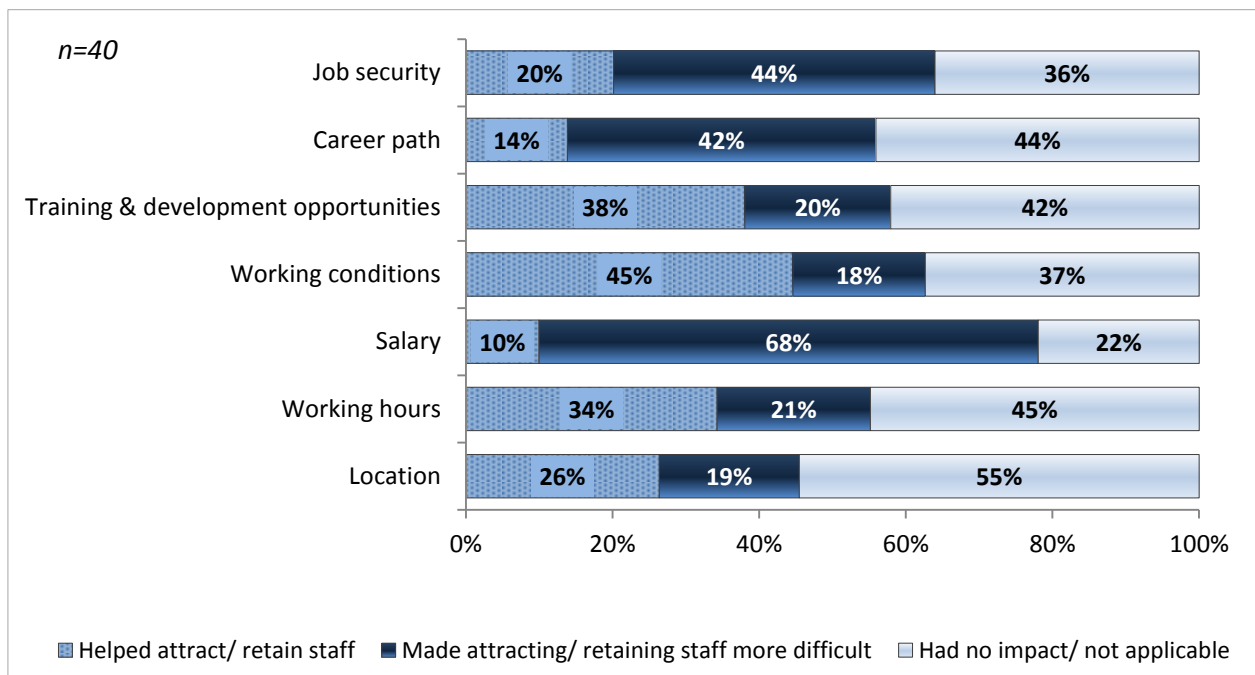
Salary

Over 68% of surveyed organisations identified salary to be a barrier to attracting and retaining staff. As Table 3.26 indicates, the proportion of organisations identifying this as a barrier was most pronounced in the health (89%) and mental health (88%) sectors.

Table 3.26 Salary as a barrier to recruitment and retention, according to primary area of service

	Proportion of organisations who stated salary made attracting/retaining staff more difficult (%)
Health (other than mental health)	89
Mental health	88
Legal services and advocacy	86
Community development	85
Family and relationship	81
Migrant, refugee and asylum seeker	77
Alcohol and other drugs support	73
ATSI support	71

Job security

Job insecurity also proved to be a significant barrier to attracting and retaining staff for 44% of those surveyed. The proportion of organisations who identified this as an adverse factor varied according to the primary area of service provision, as indicated in Table 3.27.

Table 3.27 Job security as a barrier to recruitment and retention, according to primary area of service provision

	Proportion of organisations who stated job security made attracting/retaining staff more difficult (%)
Health (other than mental health)	72
Migrant, refugee and asylum seeker	64
Youth	62
ATSI support	57
Legal services and advocacy	57
Community development	54
Alcohol and other drugs support	53
Family and relationship	50

Career progress path

Limited career path had the greatest impact on recruitment and retention for organisations whose primary area of service provision was health (71%), legal advocacy (57%), domestic violence and sexual assault (57%), and mental health (53%). Excessive work hours were reported as having the most pronounced impact on Aboriginal and Torres Strait Islander support services (43%), health services (35%), domestic violence and sexual assault services (35%), and for organisations whose primary area of service provision involved information, advice and referrals (30%).

Training and development opportunities

Approximately 20% of all respondent organisations cited limited training and development opportunities as a factor that made attracting and recruiting staff difficult. This proportion was highest where the primary service delivered was health (47%), domestic violence and sexual assault (35%), legal advocacy (29%), and mental health (27%). The ability to offer sufficient training and development opportunities also varied according to organisational

size. A higher proportion of smaller organisations experienced recruitment and retention difficulties due to limited training and development, with the proportion of very small and small organisations at 31% and 23% respectively. In contrast, only 4% of very large organisations identified training and development to be a factor adversely impacting on recruitment and retention.

Working conditions

Working conditions were identified as a barrier to recruitment and retention for 18% of organisations. This proportion was higher where the primary area of service provision was mental health (44%), health (41%), Aboriginal and Torres Strait Islander support (29%), and housing and homelessness (27%).

Geographic location

Geographic location had the most pronounced impact on Aboriginal and Torres Strait Islander support services, with 43% stating that this factor made attracting and retaining staff more difficult. Regional and remote services also experienced greater difficulties recruiting and retaining staff on the basis of their location, as indicated in Table 3.28.

Table 3.28 Location as a barrier to recruitment and retention, according to geographic coverage

	Proportion of organisations who stated location made attracting/retaining staff more difficult (%)
A major city	13
Inner regional area	20
Outer regional area	23
Remote area	33
Very remote area	31

3.3.5 Equal pay and changes to workplace awards

When survey respondents were asked to identify the three most important issues or challenges facing their organisation, the most ubiquitous response concerned the inadequacy of funding for services.

A further theme that organisations persistently identified related to the difficulties they faced in recruiting and retaining staff. An analysis of the open-ended responses relating to staffing and workforce further reveals that the lack of pay parity with other sectors, industrial change with the introduction or the Modern Award and the implications of the 2009 Queensland equal pay decision for community sector workers were persistent issues for organisations in 2009-10.

Award Modernisation

During 2009-2010, the Federal Government implemented changes to workplace bargaining and awards systems as part of its industrial relations agenda. With the commencement of the *Fair Work Act* on 1 July 2009, a process of reviewing and rationalising awards in the national workplace relations system took place, replacing the range of awards offered in different states and territories with a single system of 'modern awards'. Changes to workplace awards in turn came into effect on 1 January 2010.

While organisations were not necessarily opposed to the aims and intentions of award modernisation, the survey responses suggest that many organisations experienced significant uncertainty and difficulties adapting to changes to wages and conditions. A lack of resources and time to adjust to changes, limited support in implementing changes, and a lack of internal expertise were cited as persistent concerns. As one respondent remarked:

The introduction of the modern award system [was one of the most important issues our organisation faced in 2009-10]. This created uncertainty and also strain due to [the] resources and time needed to understand and operationalise new awards, and the lack of relevant expertise within our small organisation. This is in a context where we are already struggling to cope with administering contracts, tendering for funds, managing volunteers and staff, escalating costs (survey respondent).

Whilst some organisations expressed concerns about an inability to fund any wage increases without a commensurate increase in the funding they received via government contracts, others noted that the new Awards had resulted in a decrease in wages and conditions:

Transition to the new Awards system [is an important issue for our organisation]. Staff are paid at Award rates and conditions, but the Federal Award is less generous in pay and leave. It is not clear whether we are required to pay at Federal or State Award rate, reduce leave entitlements, or how the transition process is to work (survey respondent).

Equal pay

Workforce challenges arising from inadequate pay for community workers have long been articulated by the sector. These include declining capacity by services to attract and retain workers. In 2009 the QIRC made a new award to address what it recognised as pay inequity for community sector workers in Queensland. The QIRC acknowledged that 'the pay inequity that is present in [the community services sector] as a result of undervaluation of work is exacerbated by the absence of enterprise bargaining in this sector. This means that the wages paid to employees in this sector are substantially less than their counterparts employed in the public sector' (QIRC 2007:6).

Taking the Queensland decision as a precedent, unions representing social and community sector and disability workers lodged an Equal Remuneration Order for community workers before Fair Work Australia in the first half of 2010. The application was based on the gendered nature of the work conducted within the community sector and its consequent undervaluing in terms of wages. The application sought to increase the pay of workers covered by the Social, Community, Home Care and Disability Services Industry Award (formerly SACS award).

The case was ongoing at the time of publication of this report and therefore its outcome was unknown when respondents completed this survey. However, there had been a sustained campaign for funding of higher wages that might flow from a successful equal remuneration application, and many respondents were cognisant of the case and its potential outcomes in the commentary they provided through open-ended survey responses.

3.4 Funding and regulatory arrangements

The adequacy and effectiveness of funding and regulatory frameworks are issues of enduring concern within the community sector. Over the past two decades, such issues have taken on a renewed urgency in the context of the sector's expansion, the rise of competitive contracting arrangements, and the growing demand for human services. While such changes have opened up opportunities for many organisations, access to sufficient and reliable income remains a key challenge impacting on organisational ability to recruit and retain staff, to effectively deliver services, and to balance service delivery demands and administrative requirements with the need for systemic advocacy.

This section examines key measures of funding, and presents data relating to organisational income, expenditure and operating surpluses. It also considers the impact that government legislation and regulations have had on service delivery, including the ability of organisations to innovate, advocate and plan.

The majority of surveyed organisations stated that the level of funding they received in 2009-10 was insufficient to cover the true costs of delivering contracted services. Although the survey findings reveal that the overall income of larger organisations usually covered

their expenses, many smaller and medium-sized organisations experienced a funding shortfall and incurred deficits in the 2009-10 financial year. The majority of organisations relied heavily on government funding, but most organisations indicated that this funding was insufficient to cover the true costs of delivering services, nor did it enable forward planning or innovation. Most organisations, however, did not feel that the funding they received from government imposed restrictions on their capacity to conduct public advocacy or voice concerns on behalf of those using their services.

3.4.1 Sources of income

In contrast to for-profit and government organisations, NFP social services often derive their revenue from a wide range of sources. Such sources include government grants and contracts, fundraising, income from the people who consume and pay for services, membership fees, and income from investments and other business activities.

While many organisations seek to diversify their revenue streams, government funding continues to constitute the major source of income for many community services. Survey respondents were asked to list the amounts and sources of income for their organisation in 2009-10, and Figure 3.29 shows the breakdown of funding sources when these financial data are aggregated. As this graph reveals, funding received from Commonwealth, state or territory, or local governments accounts for 83.2% of the aggregated income. A smaller proportion of funds were derived from donations (8.7%), client fees (5.2%), corporate funding (0.6%), and other income sources (4.6%) such as membership fees, interest or rents received from investments and other business activities, and the sale of goods.

Figure 3.29 Income sources
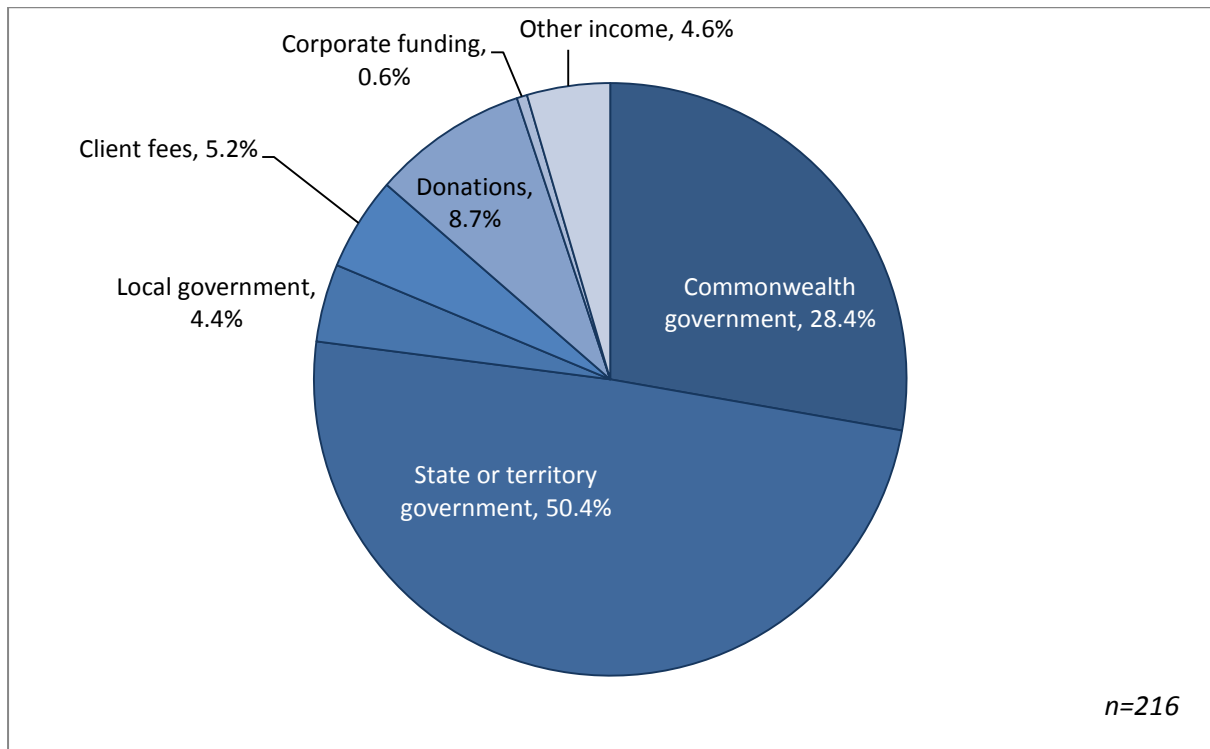
The widespread reliance on government funds is further underscored when organisations are analysed according to the recurrence of primary income. Figure 3.30 shows the percentage of organisations whose primary funding is recurrent, and its source. 85.5% of respondents indicated that they received recurrent funding from state or territory governments; 78.6% of respondents from the Commonwealth government; and 80% from local governments. Importantly, the greatest response rate (88.9%) indicated recurrent funding received from client fees.

Figure 3.30 Percentage of organisations with ongoing/recurrent primary sources of income
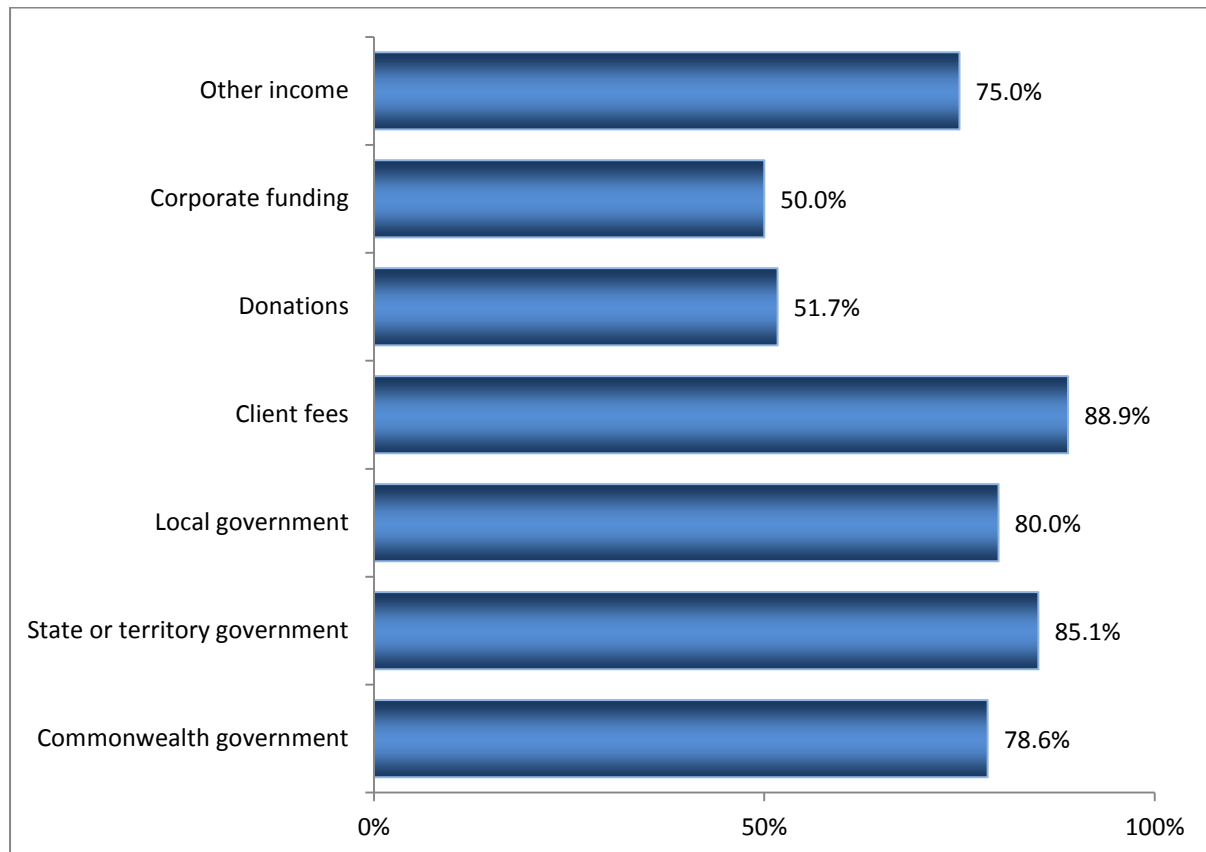
These findings show that corporate funding accounted for the smallest proportion of funding among survey respondents. For 2009-10, the amount of funding received from corporations relative to the overall funds received was 0.6%, with a similar proportion of organisations identifying corporate funding as their primary source of income for that year. This is noteworthy given the notion that the corporate sector has been playing an increasingly prominent role in subsidising the work of NFP organisations (Zappala & Lyons 2008); and the stated interest of some governments in seeing that role continue.

Table 3.31 shows the overall income and expenditure based on the aggregated financial data provided by surveyed organisations. The surplus (or deficit) measures the difference between revenue and expenditure, revealing the extent to which the income an organisation receives is sufficient to meet the costs of providing services. Where an operating deficit exists, the costs being incurred in that year exceed the income, forcing organisations to meet costs via other means. In such instances, the surplus appears as a negative figure.

While there was a slight increase in the overall income from 2008-09 to 2009-10, the total expenditure decreased. In addition, a significant operating deficit was incurred for the social services sector in 2008-09, with a slender surplus generated for the subsequent 2009-10 financial year.

Table 3.31 Total expenditure and deficit/surplus for 2008-09 and 2009-10

Year	Total expenditure ($ millions)	Total income ($ millions)	Surplus ($ millions)
2008-09	1,238	1,058	-180
2009-10	1,140	1,142	2.0

n=216

The deficit incurred for 2008-09 coincides with the peak of the GFC, which was associated with a substantial increase in demand for social services and a simultaneous reduction in returns on investment funds, combined with a reduction in funding from philanthropic trusts and foundations, major donors, and community giving (Centre for Corporate Public Affairs 2009; Access Economics 2008; Lea 2009).

While the aggregated financial data indicate that a surplus was recorded for 2009-10, the magnitude of this surplus was small (0.2% relative to the income). Moreover, when the financial data are analysed according to the size of organisations (Table 3.32), it is apparent that small and medium sized organisations operated at a deficit during 2009-10.

Sustainable organisations do not just need secure funding; they also need an asset base in order to withstand deficits during difficult periods. The figures presented here suggest that smaller community organisations have managed to build up some form of net equity over time which has enabled them to withstand a deficit in more difficult times. The ability to develop reserves or equivalent asset bases is vital to ensure the resilience of organisations, support their ability to plan for the future, and avoid precarious financial positions. But these organisations are unlikely to be able to withstand these pressures continued over time. Organisations operating at deficits typically have a reduced capacity for evaluation and innovation, experimentation and exploration of non-fundable activities. Conversely, larger organisations may have greater fiscal flexibility generally, meaning that they have more capacity to reduce expenditure.

These data indicate the extent to which small to medium sized organisations bear the brunt of the chronic underfunding of social services in Australia. They reflect findings in other studies such as Burkett (2011), Bradfield and Nyland (2004) and Howard and Partners (2006). Importantly, the research shows that the sustainability of small organisations is routinely threatened by funding policies that disadvantage them, rather than reflecting poor management or incompetence. Small organisations are a critical part of the community sector, particularly in place-based settings where local knowledge and capacity are key drivers of program effectiveness. Recent research also shows that Australians would prefer

businesses to support local charities rather than large national organisations (Progressive Advisory 2011). Yet the value of small to medium organisations is undermined by funding policies that act as barriers to their sustainability and effectiveness, such as through tying up funding and other resources in large-scale tendering processes (Howard and Partners 2006).

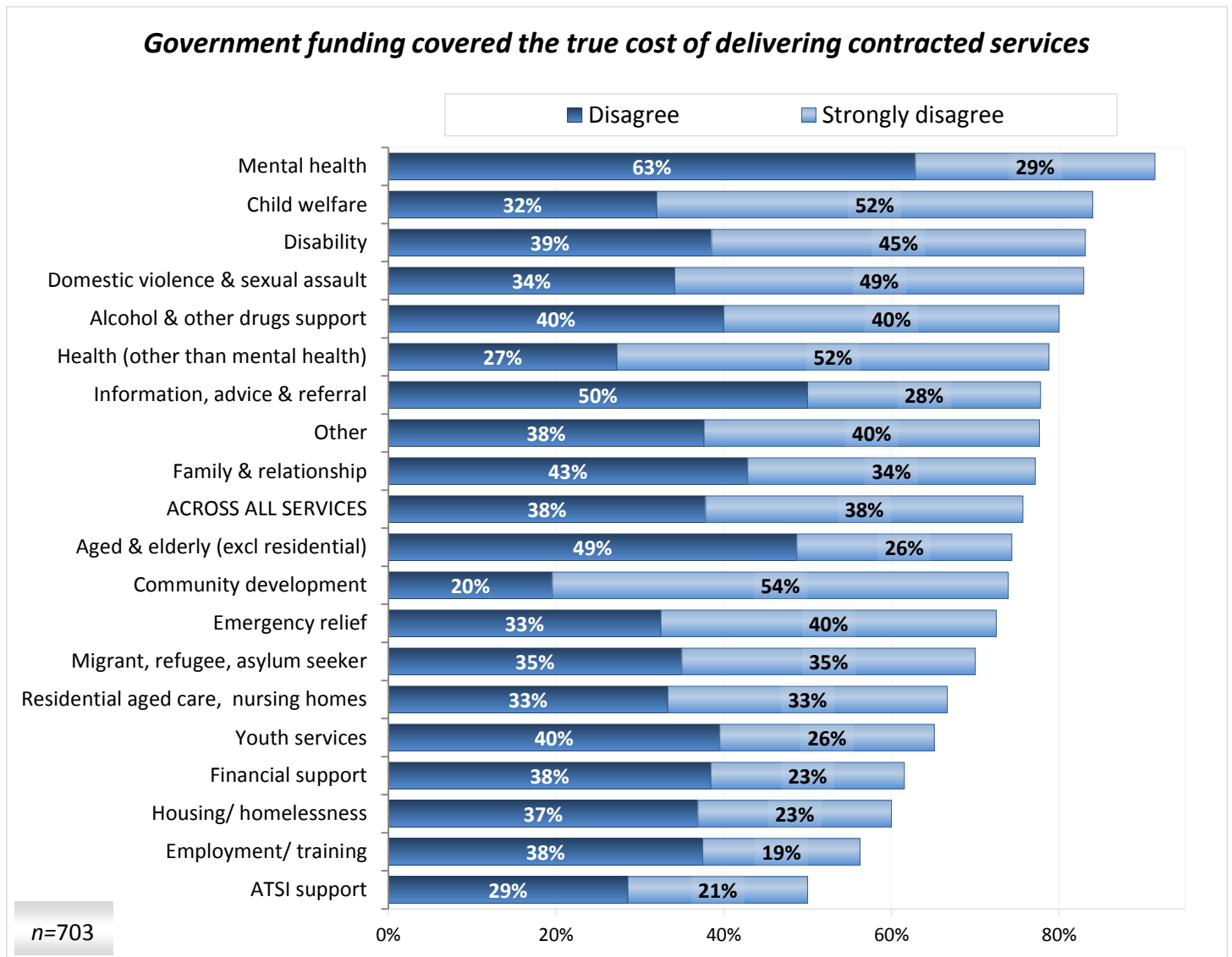**Table 3.32 Operating deficit/surplus for 2009-10 by agency size**

Agency size	Average income ($)	Average operating expenses ($)	Average Surplus ($)	Surplus as % of income
Very small	162,173	180,012	-17,839	-11%
Small	359,000	373,360	-14,360	-4%
Medium	705,000	719,100	-14,100	-2%
Large	1,877,000	1,764,380	112,620	6%
Very large	23,761,000	23,523,39	237,610	1%

n=216

The adequacy of government funding or services has long been the subject of concern among community services. During the period covered by this survey, the Productivity Commission quantified the level of underfunding these services receive, finding that not-for-profit organisations routinely receive only 70% of the cost of providing the services that governments fund directly.

Respondents were asked to indicate whether government funding covered the true cost of delivering contracted services, by picking a point on the following spectrum: strongly agree, agree, neither agree nor disagree, disagree, strongly disagree. The majority of respondents indicated that government funding did not cover the true cost of delivering contracted services, as Figure 3.44 indicates.

Figure 3.33 Adequacy of government funding

Government funding covered the true cost of delivering contracted services

Legend: ■ Disagree ☐ Strongly disagree

Category	Disagree	Strongly disagree
Mental health	63%	29%
Child welfare	32%	52%
Disability	39%	45%
Domestic violence & sexual assault	34%	49%
Alcohol & other drugs support	40%	40%
Health (other than mental health)	27%	52%
Information, advice & referral	50%	28%
Other	38%	40%
Family & relationship	43%	34%
ACROSS ALL SERVICES	38%	38%
Aged & elderly (excl residential)	49%	26%
Community development	20%	54%
Emergency relief	33%	40%
Migrant, refugee, asylum seeker	35%	35%
Residential aged care, nursing homes	33%	33%
Youth services	40%	26%
Financial support	38%	23%
Housing/ homelessness	37%	23%
Employment/ training	38%	19%
ATSI support	29%	21%

n=703

3.4.2 Indexation

Indexation is the process by which funding for community services maintains equivalence from one year to the next. Indexation is separate to increases in base funding and without it funding levels decline or erode over time. The most commonly recognised form of indexation is the Consumer Price Index (CPI). Yet CPI is a poor measure for maintaining

value or equivalence, as it is designed to provide a general measure of price inflation to inform macro-economic policy considerations. It does not account for rising costs in utilities, or for things like climate change and policy responses that affect community services in terms of changing energy prices, building codes, appliance and vehicle standards.

In practice, few services receive indexation as high as that of CPI, even with its limitations. There is no policy framework to ensure consistent and adequate indexation for community services across the country. Even organisations that are largely or wholly reliant on government funding experience different indexation rates from different government funders.

Data from survey respondents confirmed that, during 2009-10, funding received across different tiers of government failed to keep pace with rising costs (Table 3.34). In addition to comparing the indexation of organisational funding to standard indices, additional factors may compound the disjuncture between funding increases and the actual rise in service delivery costs. For instance, the growth of costs in regional, rural and remote areas is substantially higher, and this should in turn be recognised in funding and indexation models.

Table 3.34 Average rate of indexation for Commonwealth, State and Local government funding

|	Indexation (%)
Commonwealth government	1.30
State or territory government	2.32
Local government	1.05
	N=149

3.4.3 Reporting and contractual requirements

As Figure 3.29 reveals, community organisations derive a significant proportion of their income from government funding. Funding from all three tiers of government accounted for 64% of the total funding received by respondent organisations for the period 2009-2010. To place this in context, the Productivity Commission found that direct government funding of NFPs came to $25.5 billion (PC 2010: 275). However, as the PC noted, 'excessive conditions and compliance requirements impose unnecessary burdens' on non-profit organisations.

Survey respondents indicated this was a significant factor for community services, as figure 3.46 shows.
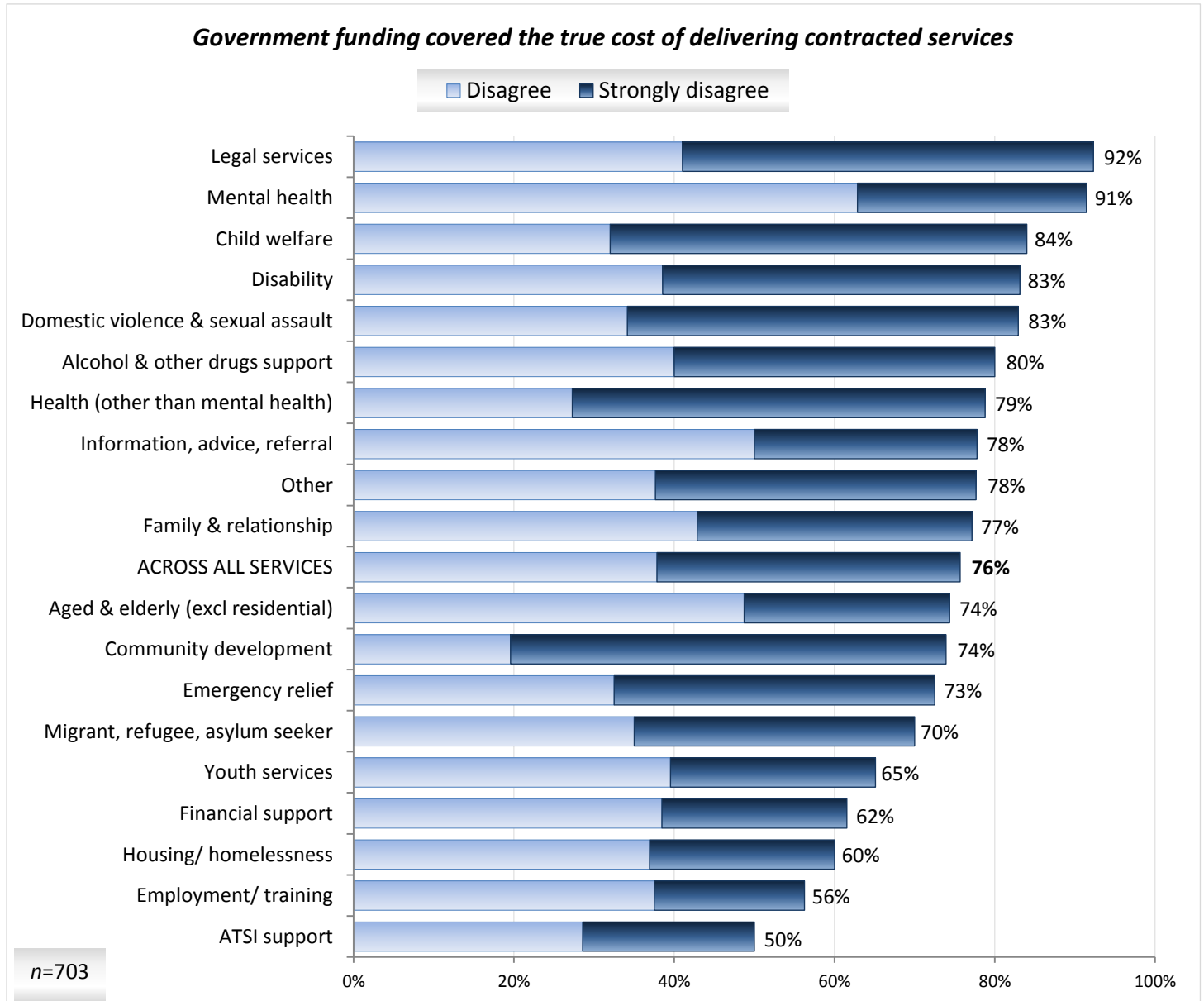
Funding levels and service delivery costs

Figure 3.35 Percentage of organisations reporting negative impact associated with reporting and contractual requirements
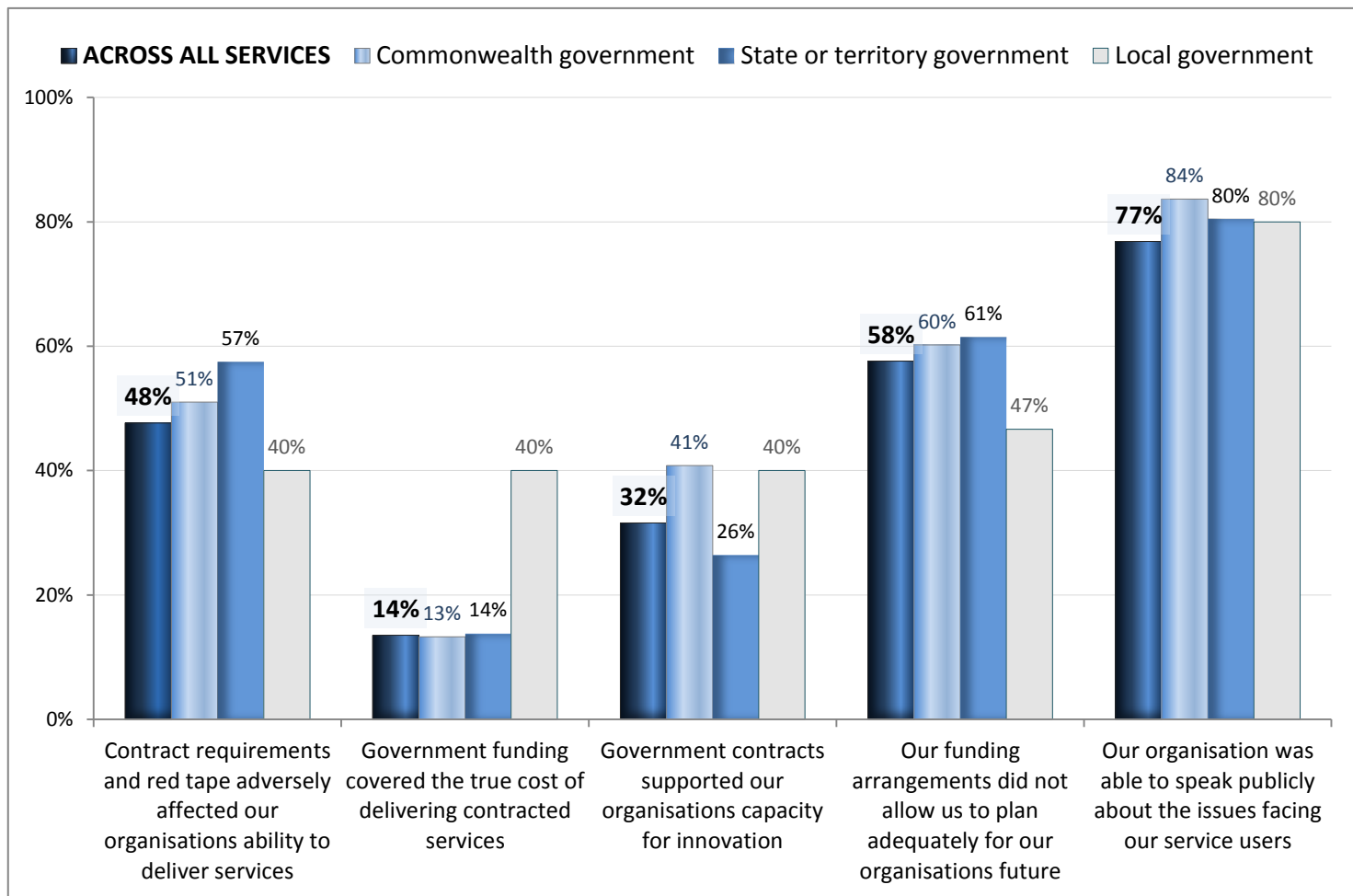
The Productivity Commission's study into the contribution of the not-for-profit sector found that government funded services are routinely funded at only 70% of the cost of delivering those services (PC 2010). This has significant implications for the viability and effectiveness of community services, particularly those engaged in government-funded service delivery. It also raises important questions about the adequacy of funding for community services, when even those that are government-funded have to make up a shortfall in their funding. Respondents were asked to indicate whether government funding covered the true cost of delivering contracted services, on a spectrum ranging from 'strongly agree' to 'strongly disagree'. The vast majority of respondents in each sub-sector disagreed that government funding covered the true cost of delivering contracted services, as the following figure (3.36) illustrates.

Figure 3.36   Impact of contractual and reporting requirements by service type

Government funding covered the true cost of delivering contracted services

☐ Disagree   ■ Strongly disagree

Service type	Value
Legal services	92%
Mental health	91%
Child welfare	84%
Disability	83%
Domestic violence & sexual assault	83%
Alcohol & other drugs support	80%
Health (other than mental health)	79%
Information, advice, referral	78%
Other	78%
Family & relationship	77%
ACROSS ALL SERVICES	**76%**
Aged & elderly (excl residential)	74%
Community development	74%
Emergency relief	73%
Migrant, refugee, asylum seeker	70%
Youth services	65%
Financial support	62%
Housing/ homelessness	60%
Employment/ training	56%
ATSI support	50%

n=703

0%   20%   40%   60%   80%   100%

Red tape and compliance burden

The framework of contracting relationships is a key factor in the effectiveness of community services. While contracts are often the mechanism that delivers funding for services, contract requirements can act as barriers to services effectiveness, for example when funds intended for services have to be diverted into organisational resources to meet funder's reporting requirements. A certain level of transparency in the expenditure of funds for community services is legitimate and important, particularly in respect of government

funds; but the notion of 'red tape' implies an unnecessary or excessive compliance requirement.

As the following figures show, many respondents indicated that excessive contract requirements did impact on the ability to deliver services. Figure 3.37 shows the extent to which this impact varied according to the source of funding between levels of government (Commonwealth, state or territory and local) and the size of the organisation. The diversity in the sources and levels of funding suggests that the red tape burden is unlikely to fall evenly across a range of organisations. Larger organisations typically have specialised corporate support systems to manage the tendering, contracting, performance monitoring and reporting requirements that have become a standard feature of Government funding. At the same time, they may have a greater number of contracts or higher levels of funding to require these systems. Managing such processes can pose different challenges for smaller organisations, with fewer resources to devote to them.

Figure 3.37 Impact of contract requirements and red tape on ability to deliver services
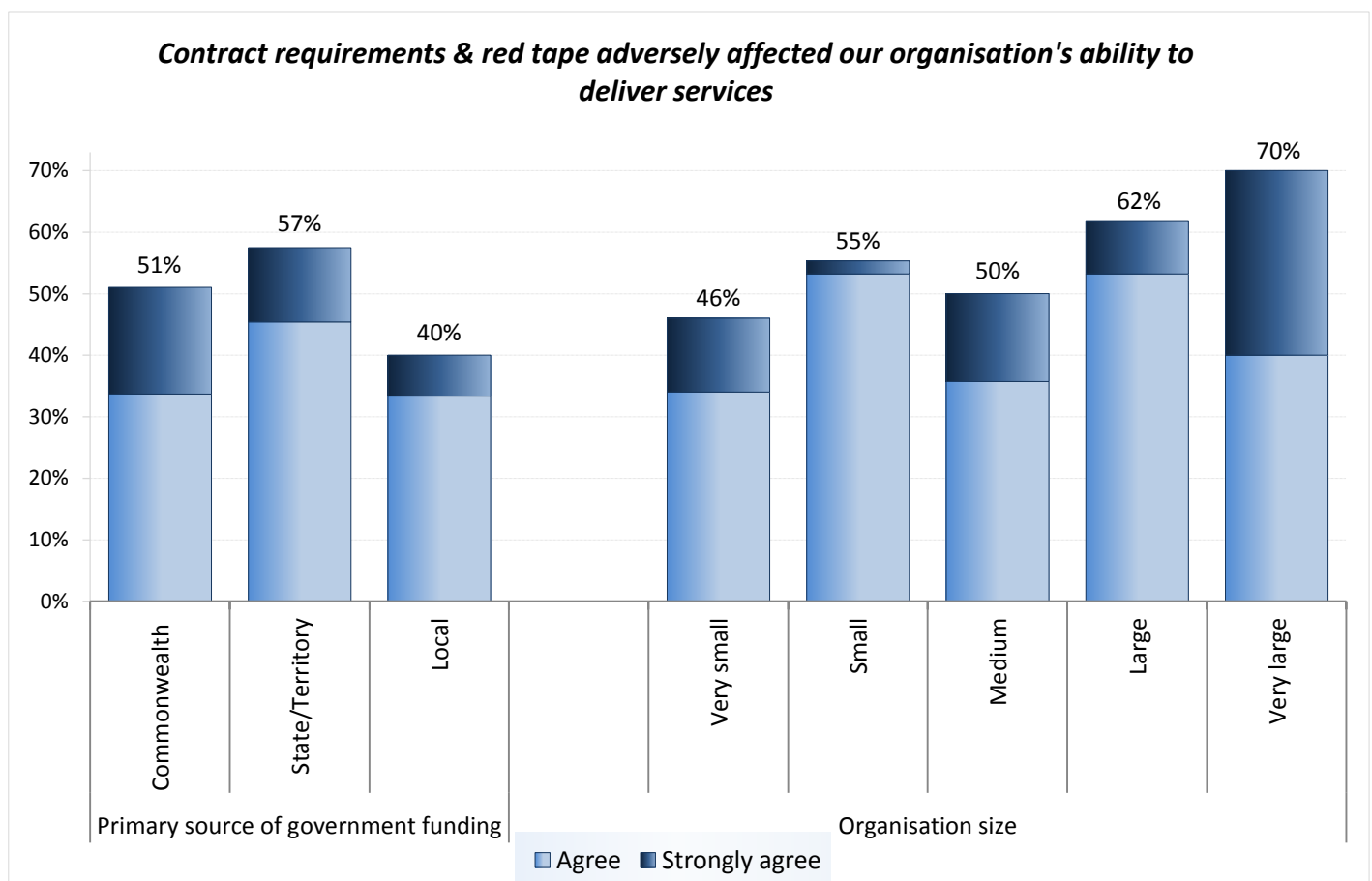
Figure 3.37 shows the impact of contract requirements on service delivery by sub-sector. Some areas such as employment services reflected a 75% response-rate that contract requirements and red tape adversely affected ability to deliver services. Even at the lower end of the spectrum, at least 30% of financial services reported the same problem. This suggests that costs associated with tendering, contractual and reporting requirements are excessive and indicates that managing the administrative burden of funding has become 'core business' for many services.

Figure 3.38   Impact of contract requirements and red tape on ability to deliver services, by primary service delivered

Contract requirements and red tape adversely affected our organisation's ability to deliver services
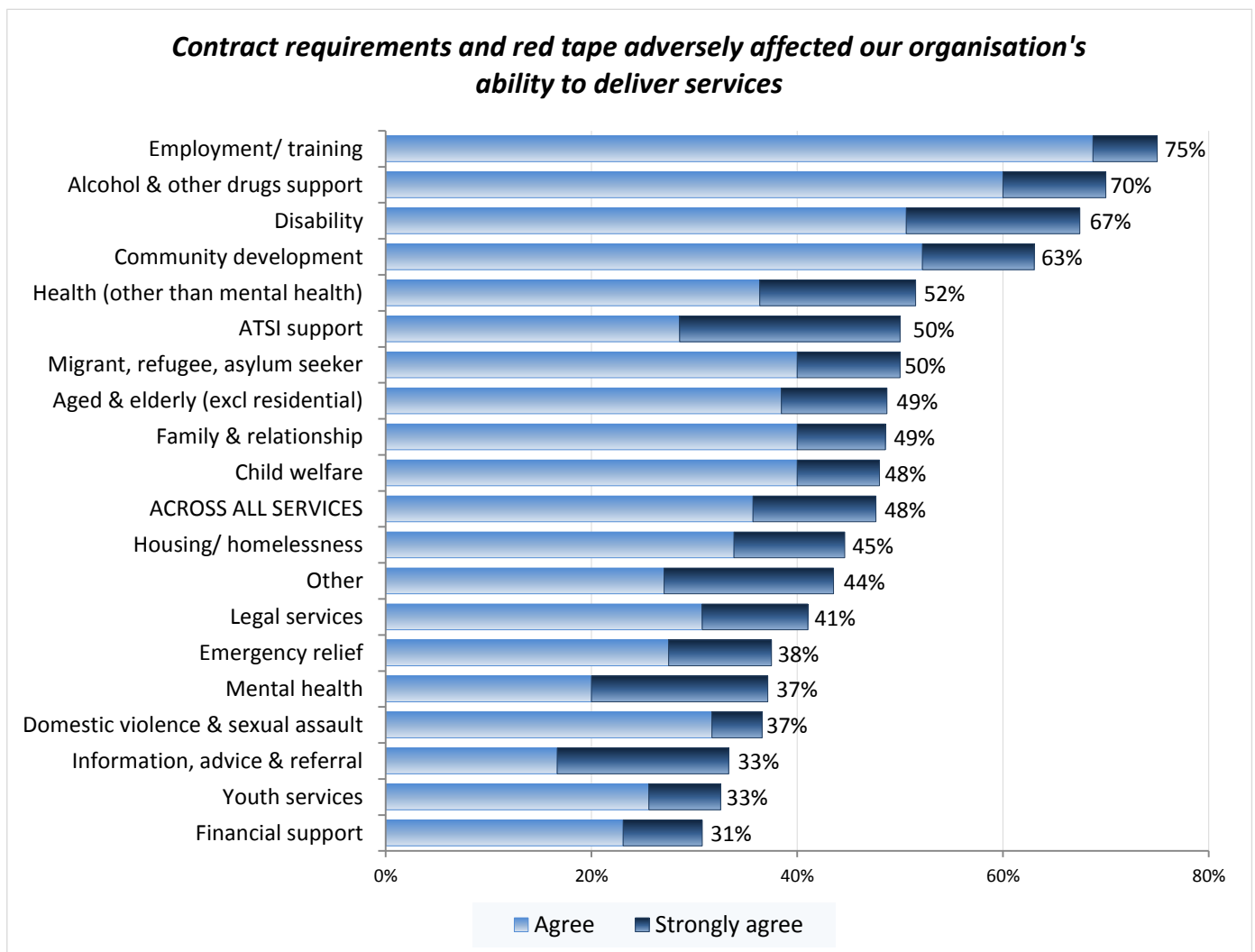
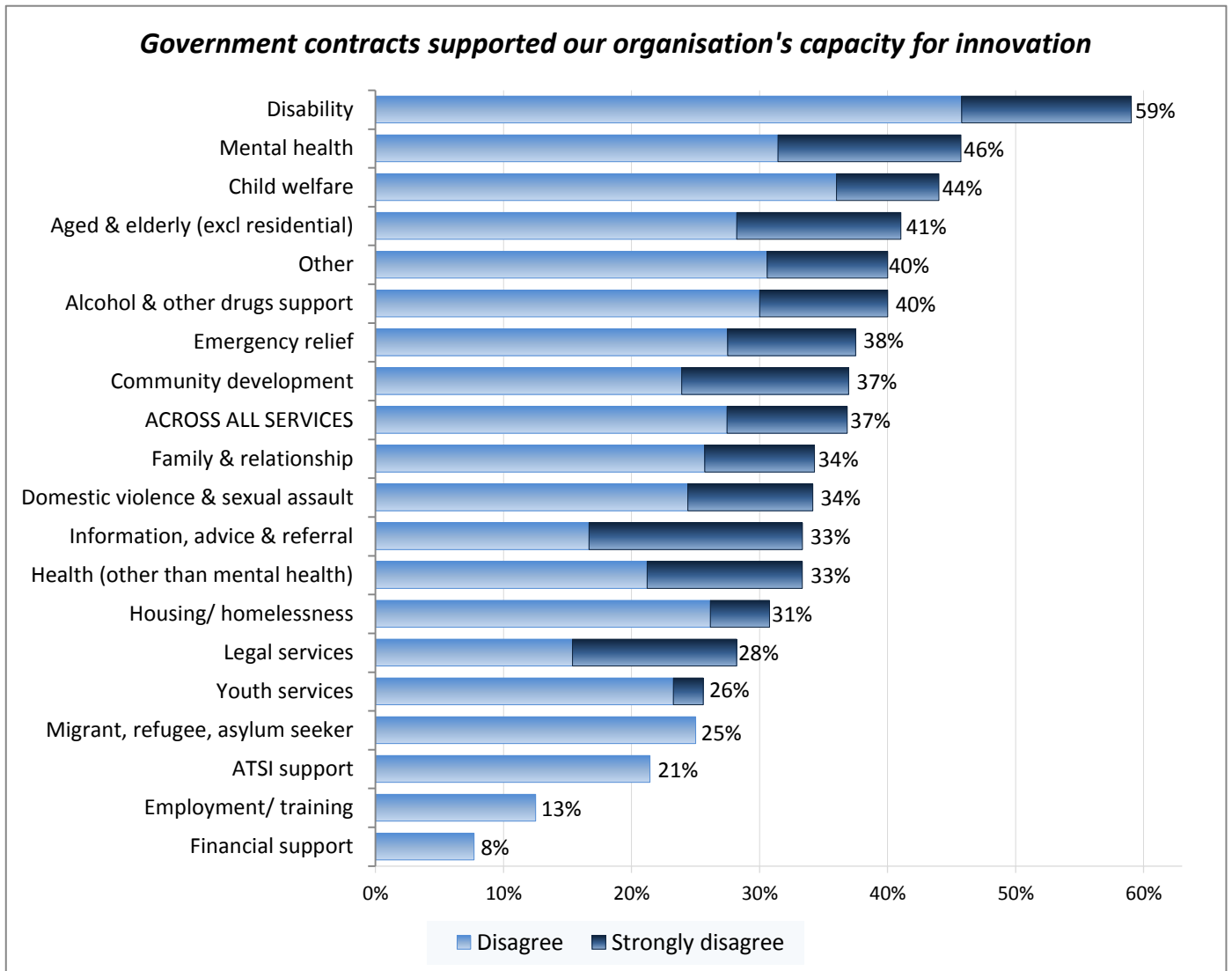## Innovation, responsiveness and flexibility

Innovation is central to the mission and approach of community services. However, it rarely receives support through funding or other resources necessary to ensure organisational capacity for innovative approaches. The Productivity Commission recognised this need, recommending funding for social innovation to develop new and better ways of tackling social problems and other issues 'where the benefits are largely to the community, rather than financial returns' (PC 2010: rec 9.5). Against this backdrop, respondents were asked whether government contracts supported organisational capacity for innovation. The following figure shows levels of agreement with that statement. Roughly 40% of respondents agreed that Commonwealth or local government contracts supported innovation, although far fewer reported the same for state or territory contracts.

Figure 3.39   Impact of government contracts on capacity for innovation
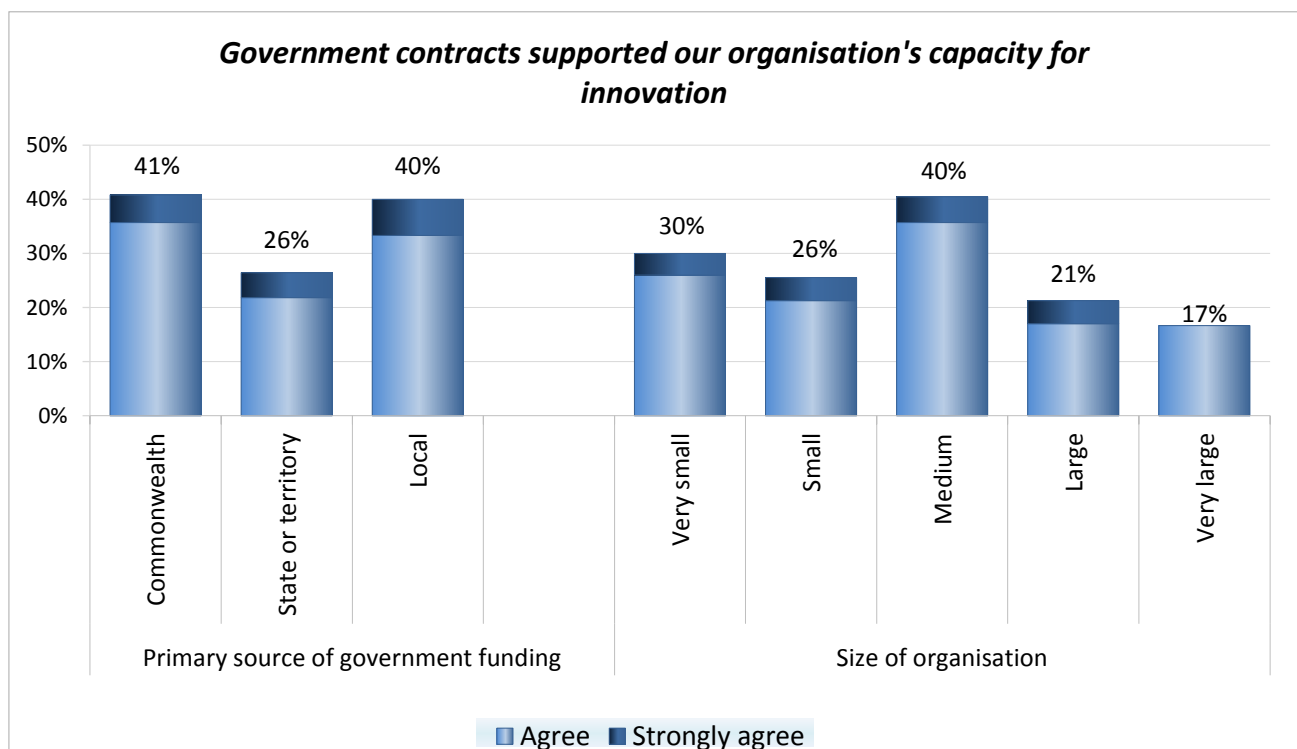
The following figure reflects levels of disagreement with the statement that government contracts supported organisational capacity for innovation. Reporting by sub-sectors, disability services stood out as most strongly disagreeing with the statement.

Figure 3.40   Impact of government contracts on capacity for innovation, by primary service delivered

Government contracts supported our organisation's capacity for innovation

Primary service	Value
Disability	59%
Mental health	46%
Child welfare	44%
Aged & elderly (excl residential)	41%
Other	40%
Alcohol & other drugs support	40%
Emergency relief	38%
Community development	37%
ACROSS ALL SERVICES	37%
Family & relationship	34%
Domestic violence & sexual assault	34%
Information, advice & referral	33%
Health (other than mental health)	33%
Housing/ homelessness	31%
Legal services	28%
Youth services	26%
Migrant, refugee, asylum seeker	25%
ATSI support	21%
Employment/ training	13%
Financial support	8%

■ Disagree ■ Strongly disagree

Future planning

As reported previously, funding received from Commonwealth, state or territory, or local governments accounts for 83.2% of the aggregated income among respondents. Yet the widespread reliance on government funds can act as a barrier to organisational planning, with many organisations subject to funding arrangements that do not guarantee recurrent or ongoing funding. This limits organisational capacity to plan adequately for the future, especially in terms of service provision and staffing. The following figures show respondents who agreed with the statement that funding arrangements did not allow adequate planning for organisational futures. These data are broken down by level of government funding and organisational size in Figure 3.41 and by sub-sector in Figure 3.42.

Figure 3.41   Impact of funding arrangements on ability to future plan

Our funding arrangements did not allow us to plan adequately for our organisation's future
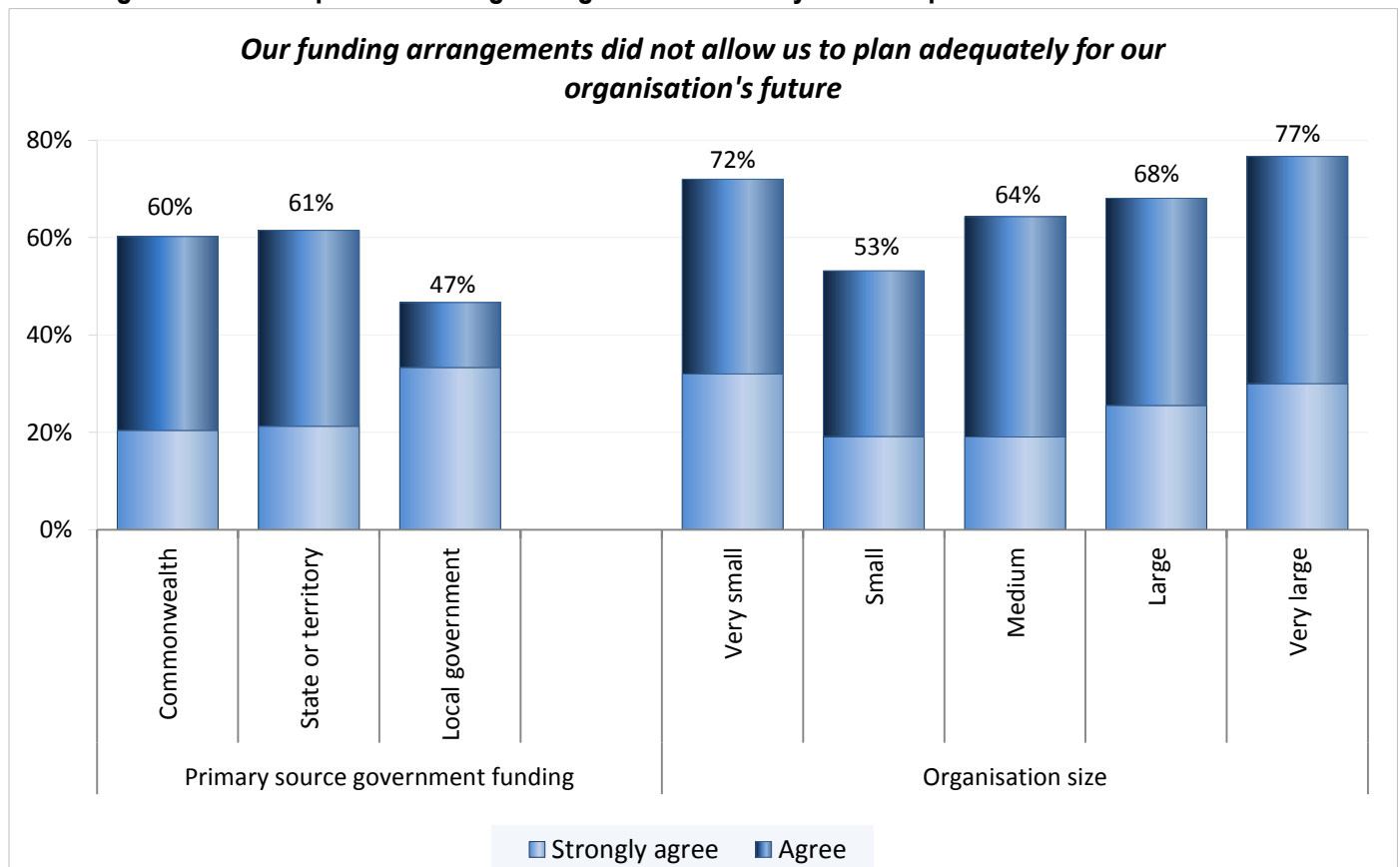
Figure 3.42   Impact of funding arrangements on ability to future plan by primary service delivered

Our funding arrangements did not allow us to plan adequately for our organisation's future

Primary service	Value
Migrant, refugee, asylum seeker	75%
Domestic violence & sexual assault	71%
Other	71%
Alcohol & other drugs support	70%
Mental health	69%
Community development	65%
Legal services	62%
Disability	60%
Total	58%
Youth services	53%
Housing/ homelessness	52%
Health (other than mental health)	52%
Information, advice & referral	50%
Employment/ training	50%
Emergency relief	48%
Financial support	46%
Aged & elderly (excl residential)	46%
Family & relationship	46%
Child welfare	44%
ATSI support	36%

Legend: Agree, Strongly agree

Advocacy

Many organisations whose primary role is to deliver services to disadvantaged people often develop policy responses to gaps and unintended or perverse outcomes and to address the structural causes of disadvantage and lack of opportunity. In this way advocacy is of fundamental importance to the work of the community services and welfare sector. However, the extent to which community services rely on government funding is sometimes considered a barrier to advocacy, based on the fear that organisations who speak out against certain policies or programs may jeopardise their funding. The following figures do not support this concern, showing that respondents largely agreed that their organisations were able to speak publicly about the issues facing services users by source of funding and organisational size, and by sub-sector.

Figure 3.43   Ability to speak publicly about the issues facing service users
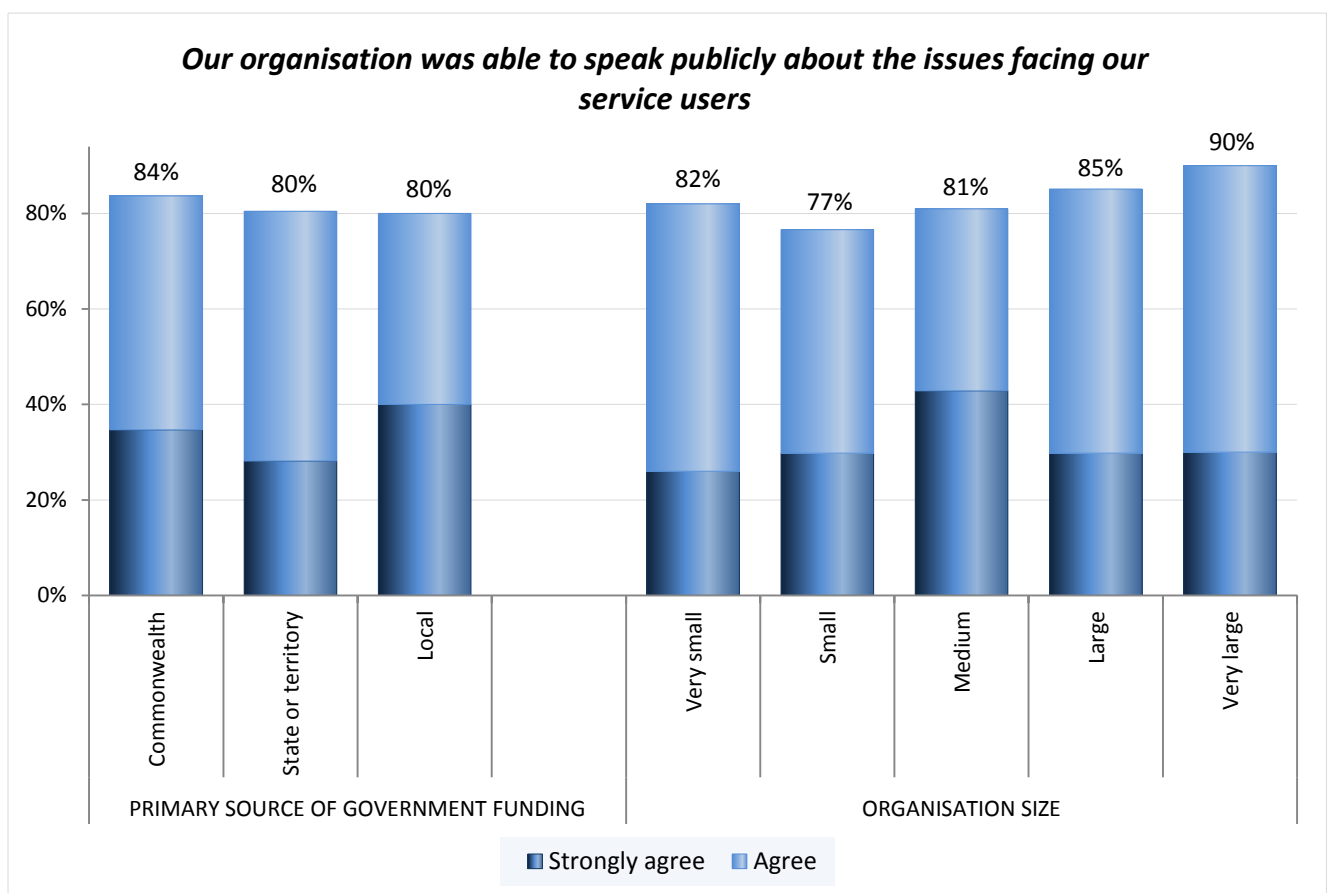
Figure 3.44   Ability to speak publicly about issues facing service users, according to primary service delivered

Our organisation was able to speak publicly about the issues facing our service users

Legend: Agree, Strongly agree

Service	Total
Financial support	92%
Health (other than mental health)	91%
Alcohol & other drugs support	90%
Legal services	90%
Aged & elderly (excl residential)	85%
Information, advice & referral	83%
Mental health	83%
Housing/ homelessness	82%
Youth services	81%
ATSI support	79%
Emergency relief	78%
ACROSS ALL SERVICES	77%
Domestic violence & sexual assault	76%
Employment/ training	75%
Other	72%
Disability	69%
Child welfare	68%
Community development	67%
Family & relationship	67%
Migrant, refugee, asylum seeker	65%

3.4.4 Government policy and programs

Government funders have an obligation to ensure that services delivered by welfare and community organisations are of a high quality and are a cost effective use of public funds. To that extent the policy or programmatic context in which services are delivered can have a significant impact on community organisations. Additional policy impacts can range from macro or high-level policy contexts such as the Commonwealth Government's participation agenda, through to minute or detailed issues about contracting policy.

The following figures show that the majority of respondents remained relatively neutral about the impact of government policies across differing levels of government. Around 30% of organisations agreed or strongly agreed that the impact of government policies was mostly positive, with little variation across different levels of government. There was greater variation among those services that disagreed or strongly disagreed with the statement: 21% and 23% respectively disagreed or strongly disagreed in relation to local government and federal government levels respectively. Far more disagreed or strongly disagreed that the impact of government policies was mostly positive at state or territory government levels, at 33%.

Figure 3.45   Assessment of government policies and programs affecting organisations
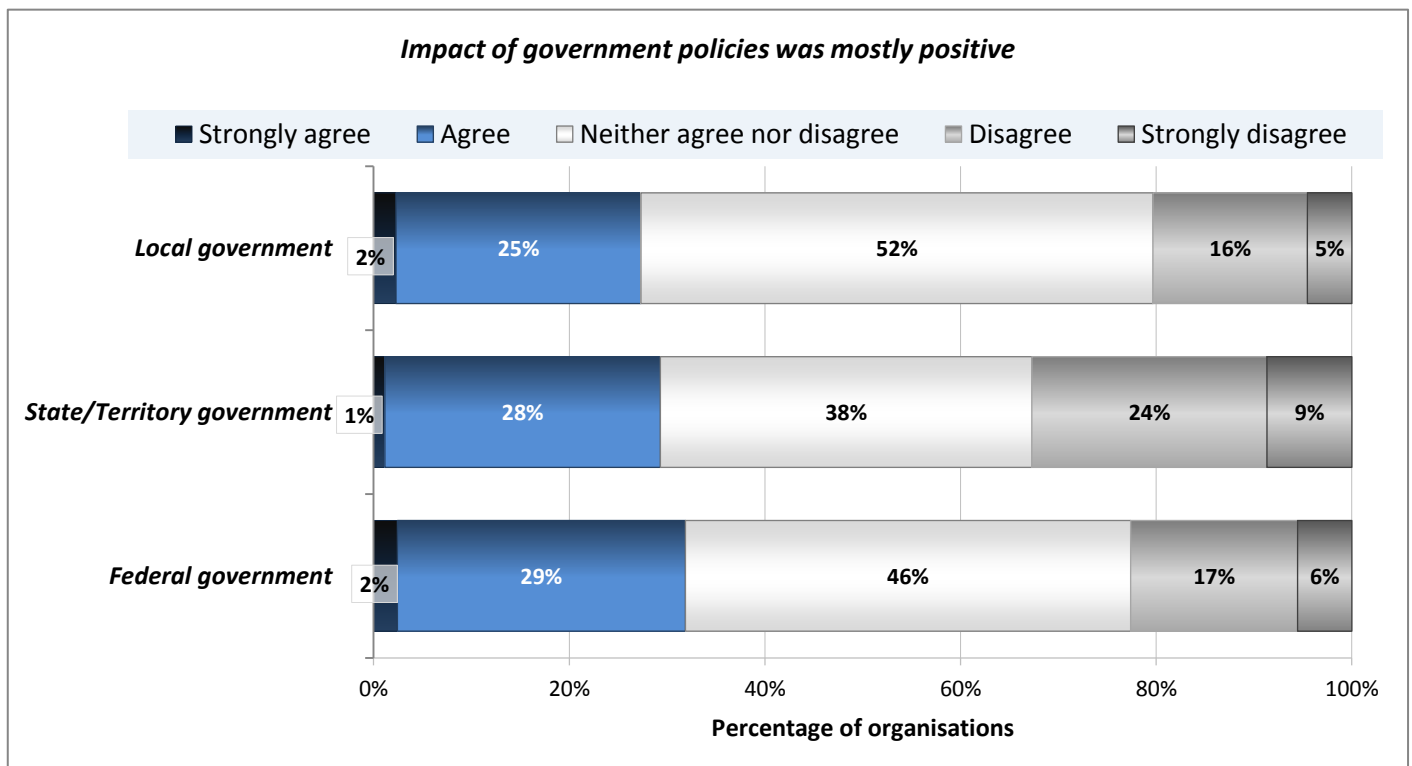
The following figure reveals the variance across states and territories in greater detail. The majority of services responded neutrally or disagreed with the statement that state or

territory government initiatives affected their organisations mostly positively. At the outliers, very few services strongly agreed with the statement, whereas there were far more respondents who strongly disagreed. The greatest number of respondents who strongly disagreed was in the Northern Territory, followed by Queensland and then Tasmania.

Figure 3.46   Assessment of government policies and programs affecting organisations

State or Territory government initiatives or policies affecting our organisation were mostly positive
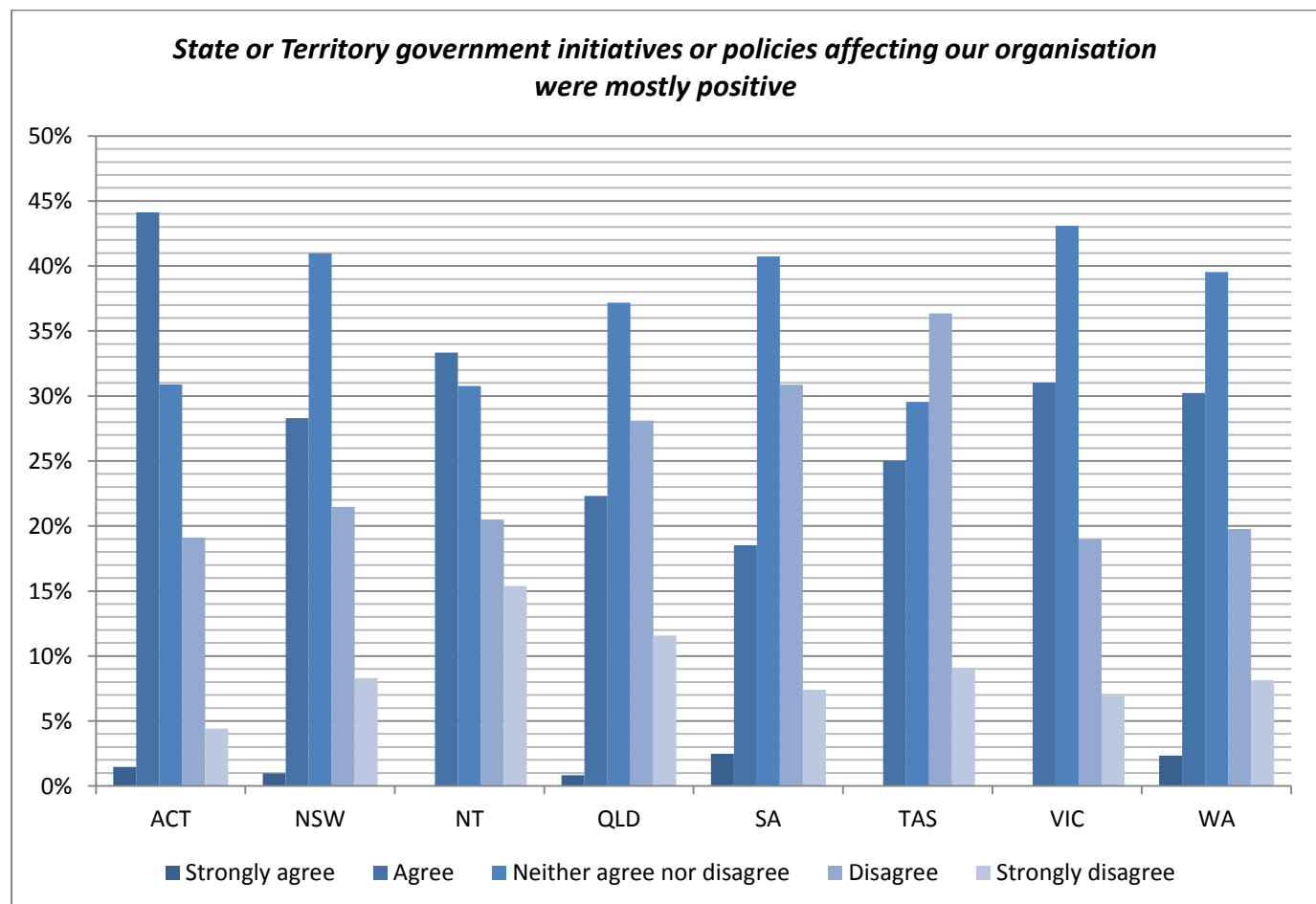
3.4.5 Tax status

Australian governments provide a range of tax concessions to eligible NFP organisations. These tax concessions depend on the purposes and activities of specific organisations, in addition to how the Australian Taxation Office and State Government entities interpret the laws governing charities and related organisations.

The tax status of organisations has a number of implications in terms of both income and expenditure. Status as a Public Benevolent Institution (PBI) attracts particularly generous concessions, including exemptions from Fringe Benefits Tax (FBT). Status as a Deductible Gift Recipient (DGR) not only makes gifting to these organisations attractive, but is a pre-condition for funding by most philanthropic bodies.

Survey respondents were asked to indicate if they were an Income Tax Exempt Charity (ITEC), Deductible Gift Recipient (DGR), Public Benevolent Institution (PBI) or any combination of these.

Most respondents indicated that they had at least two of these forms of tax status, including ITEC, DGR and PBI status, with only 12% having neither ITEC, DGR or PBI status. This explains why the percentages in the following figures add up to more than 100%.

Figure 3.47   Tax status of community organisations
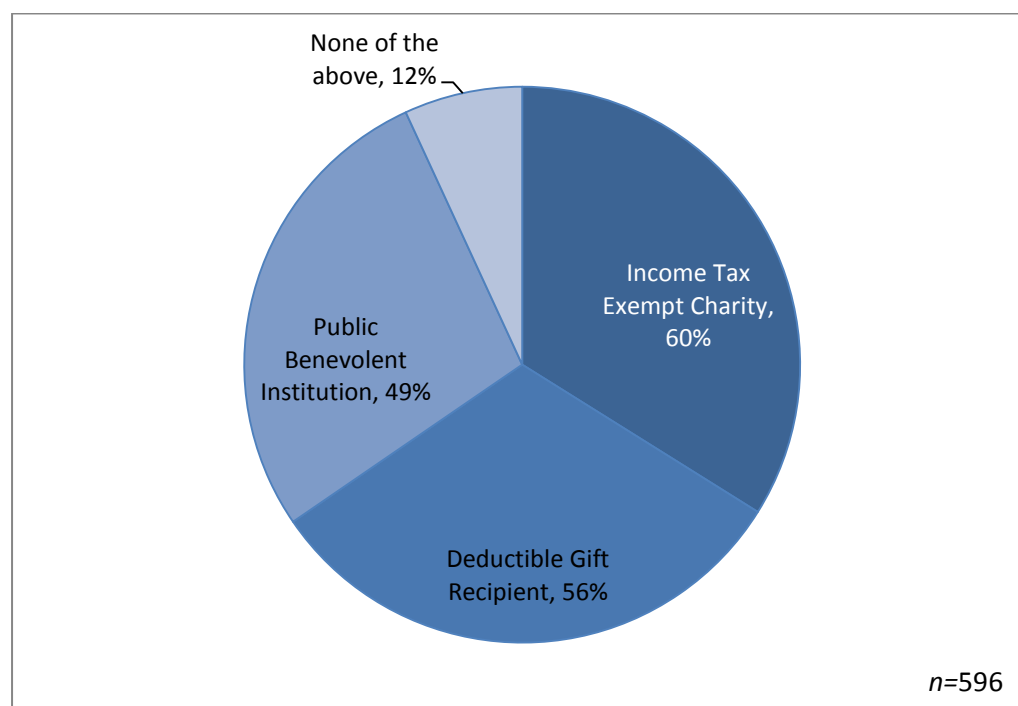
Examining these responses according to the size of organisations revealed that the proportion of organisations with ITEC, DGR and PBI status increases with organisational size.

The following figure reflects the percentage of organisations surveyed who had each tax status, noting that organisations could have more than one type of tax status (therefore these percentages do not sum to 100).

Figure 3.48   Tax status by organisation size
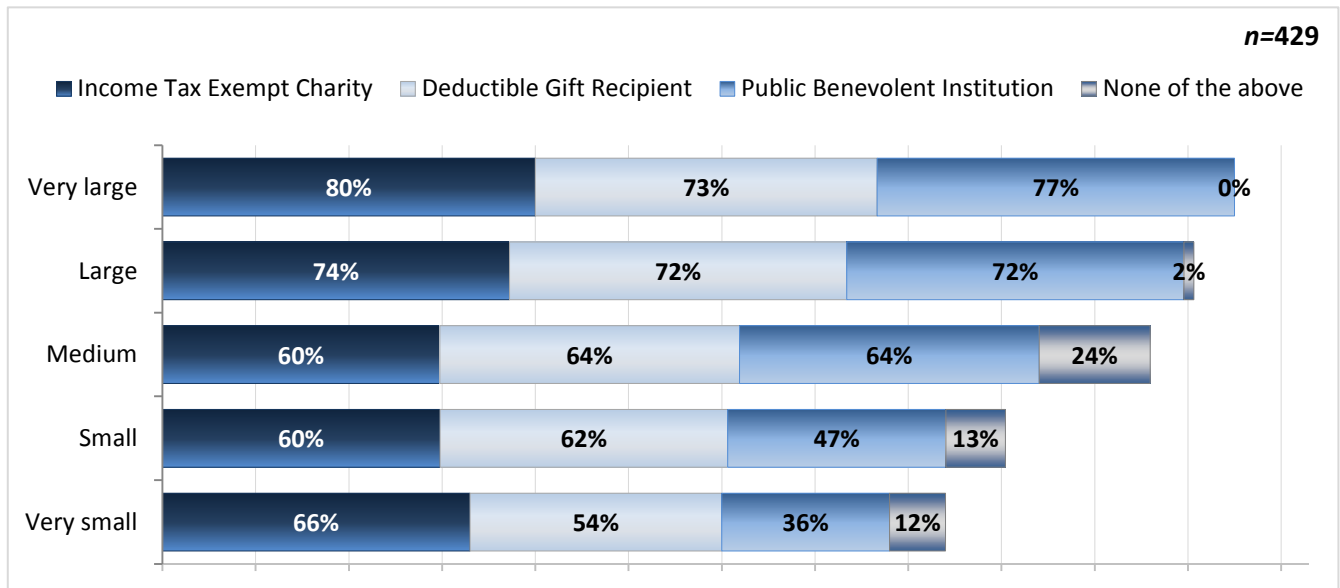
4. Financial support and emergency relief services

4.1 Introduction

Emergency relief and financial support services are often grouped together. This reflects administrative structures in a number of ways. For instance, they come under the same Commonwealth funding stream within FaHCSIA, which is the source of the vast majority of government funding for each area of service. The linking of the two areas also reflects similarities in service practice and referral pathways.

Whether or not clients of emergency relief services are necessarily in need of financial support, particularly financial counselling, is a more complicated question. ER is undoubtedly a service upon which many individuals and their households are dependent. However, it can also be seen as a bandaid approach to social welfare, the 'safety net for the safety net' (Barbato 2006). As such, it fills the gaps left by other services, including those funded by governments to meet community needs (Emergency Relief Victoria 2007). Some argue that ER, as 'a supplement to inadequate income support payments' (Anglicare 2009:8), is indicative of the welfare state's failure to provide adequately for its people (Landvogt 2006). In this context, the financial challenges facing clients of ER services may be less related to capacity to budget and more related to the adequacy of basic income levels.

Topics covered in this section include:

- The profile of service clients;
- Unmet need for additional services;
- Referral pathways to emergency relief and financial support services;
- The characteristics of organisations providing these services;
- Demand for services and organisations' abilities to meet demand; and
- The impact of government initiatives and contracting arrangements on organisations' abilities to provide services.

4.1.1 Survey questions about financial support and emergency relief services

A number of questions within the survey were only for organisations who indicated the provision of financial support as one of their areas of service. These included:

- The type of financial support service(s) provided;
- The average waiting time for receiving financial support services; and
- Whether or not the waiting times have increased or decreased between 2008-09 and 2009-10.
- A second series of questions was directed towards organisations which provided either or both financial support services and emergency relief, regarding:
- What led clients to seek either financial support or emergency relief services; and
- The referral pathways leading to these services.
- Some of the survey answers have been disaggregated in order to address financial support and emergency relief services more specifically, such as:
- Which services or support do emergency relief and financial support service clients need but not currently have adequate access to?

4.2 Organisational profile

413 survey respondents stated that they offered some form of financial support service or emergency relief. Of these, 238 provided emergency relief and 175 provided some form of financial support service.

6.1% of survey respondents stated that emergency relief was their primary area of service provision, and 2.3% of respondents stated that financial support services were their primary service area.

Table 4.1:   Average instance of service provision

Type of service(s) offered	2009-10	2008-09
Emergency relief	951	776
Financial support services	366	244
Total	1,317	1,020

The average instances of emergency relief provision increased between 2008-09 and 2009-10 by 175, an increase of 22.6%. The average instance of financial support service provision increased during the same period by 122 or 50%. These increases reflect a number of key

issues at the time including rising costs of living such as utility prices, and the impact of the GFC.

4.2.1 Emergency relief services

Emergency relief is the provision of financial or material assistance to people experiencing financial crisis. While emergency relief aims to help people through a single episode of financial crisis, it is increasingly sought by people facing ongoing financial disadvantage. Assistance usually takes the form of provision of financial or material aid to meet an immediate need; and/or information and referrals that could help resolve the underlying problems causing the client financial stress, for example, referral to financial counselling.

The Australian Government, through the FaHCSIA-administered FMP, funded approximately 700 community organisations operating 1,340 ER outlets in 2010-11. ER services are also funded by service-organised donations and fundraising; state, territory and local government; industry and corporate donations; and private donors and philanthropic organisations.

Emergency relief can consist of:

- Food, either in parcels or single items.
- Vouchers or gift cards.
- Material aid such as clothing, bedding, household items, whitegoods or furniture.
- Utilities payment, usually paid by a cheque to the billing company or with vouchers.
- Cash, either direct or as a cheque to be cashed at a nearby bank. (This form of ER is becoming less common.)
- Transport assistance, either for public transport or as petrol vouchers.
- Pharmacy assistance, including vouchers to help pay for prescriptions or toiletries, (restrictions apply for methadone, certain sedatives, or other addictive drugs).

4.2.2 Financial support services

Financial support services are divided into four main categories: financial counselling; financial literacy education; micro-finance, such as the no interest loans scheme, NiLS, low interest loans and Saver Plus; and problem gambling support services.

Financial counselling helps people with a range of financial issues, assisting clients to help them out of debt cycles and regain control of their finances.

Financial literacy education programs gives clients the skills to manage their money by teaching them how to make informed and effective decisions about the use and management of money.

Microfinance programs assist people on low incomes to find small finance loans with low-interest rates, and matched savings rewards. NiLS are programs assisting people, generally on income support payments, to buy essential household items such as fridges or washing-machines.

Problem-gambling support services assist clients with specific gambling-related problems.

Table 4.2:   Type of financial support service(s) offered

Type of financial support service(s) offered	Number	Percentage of total
Financial counselling	121	37%
Financial literacy education	62	19%
Micro-finance (e.g. NILS®, low interest loans, Saver Plus)	77	24%
Problem-gambling support services	40	12%
Other	27	8%
Total	327	100%

37% of financial support service providers provide financial counselling services, followed by micro-finance and financial literacy education services. Importantly, many services providing financial support were not solely focused in that area, with many working across the range of community service areas.

Amongst the types of other services provided by financial support services, emergency relief was the most common (15.6 %), followed by information advice and referral (12.2%). These services were most likely to be offered by organisations who offered financial counselling or micro-finance services.

Table 4.3:   Emergency relief and information, advice and referral service(s) offered by organisations offering financial support services

Type of financial support service(s) offered	Percentage also providing emergency relief services	Percentage providing information, advice and referral services
Financial counselling	35.5%	25.8%
Financial literacy education	12.3%	9.1%
Micro-finance (e.g. NILS®, low interest loans, Saver Plus)	40.0%	35.0%
Problem-gambling support services	11.1%	11.1%
Percentage of total financial support services responses	15.6%	12.2%

4.3 Client profile

While the majority of clients utilising emergency relief and financial support services were in similar age groups, there were some key differences in the demographic profile of clients between the two services.

The highest proportion of emergency relief clients were aged between 25 and 64 years. They were most likely female, without paid employment, and/or a single parent. The majority of clients seeking emergency relief and in receipt of a government pension were receiving the Parenting Payment (single), or the Newstart Allowance. A high proportion of emergency relief clients were receiving the disability pension.

The majority of financial support service clients were also aged between 25 and 64, but a higher proportion (21.3%) than emergency relief clients were aged between 15-24 years. Financial support service clients were also likely to be female, probably without paid employment, and/or a single parent.

The biggest difference between the client profiles of the two services was in the proportion of jobless clients. Jobless financial support service clients were estimated at 32.7%, compared with 55.3% of emergency relief clients. This was also indicated by the proportion of financial support clients receiving the Newstart Allowance (19.0%) compared with the higher proportion of emergency relief clients receiving the Newstart Allowance (32.1%).

Figure 4.4:   Age profile of people accessing emergency relief and financial support services (% estimated by survey respondents)
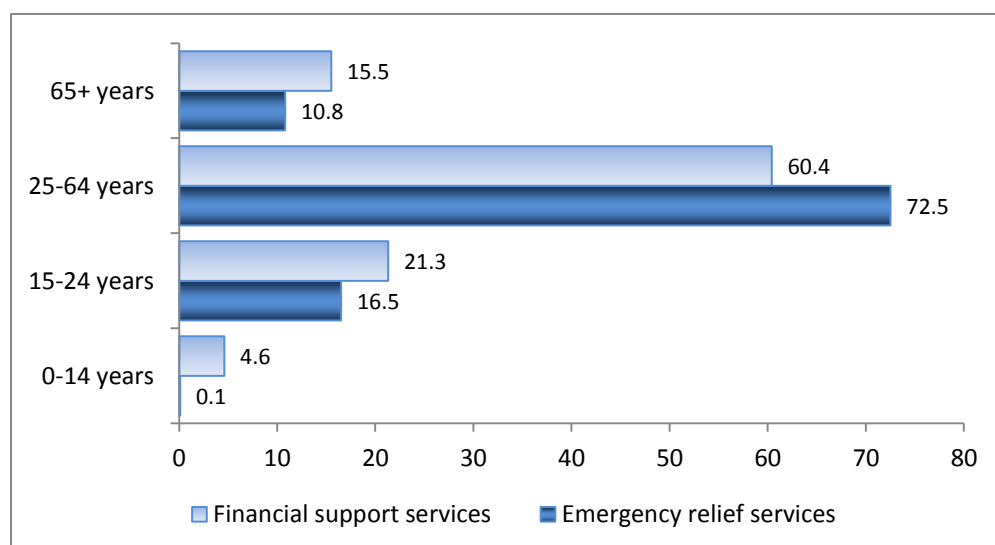
Figure 4.5: Demographic profile of emergency relief and financial support service clients (% estimated by survey respondents)
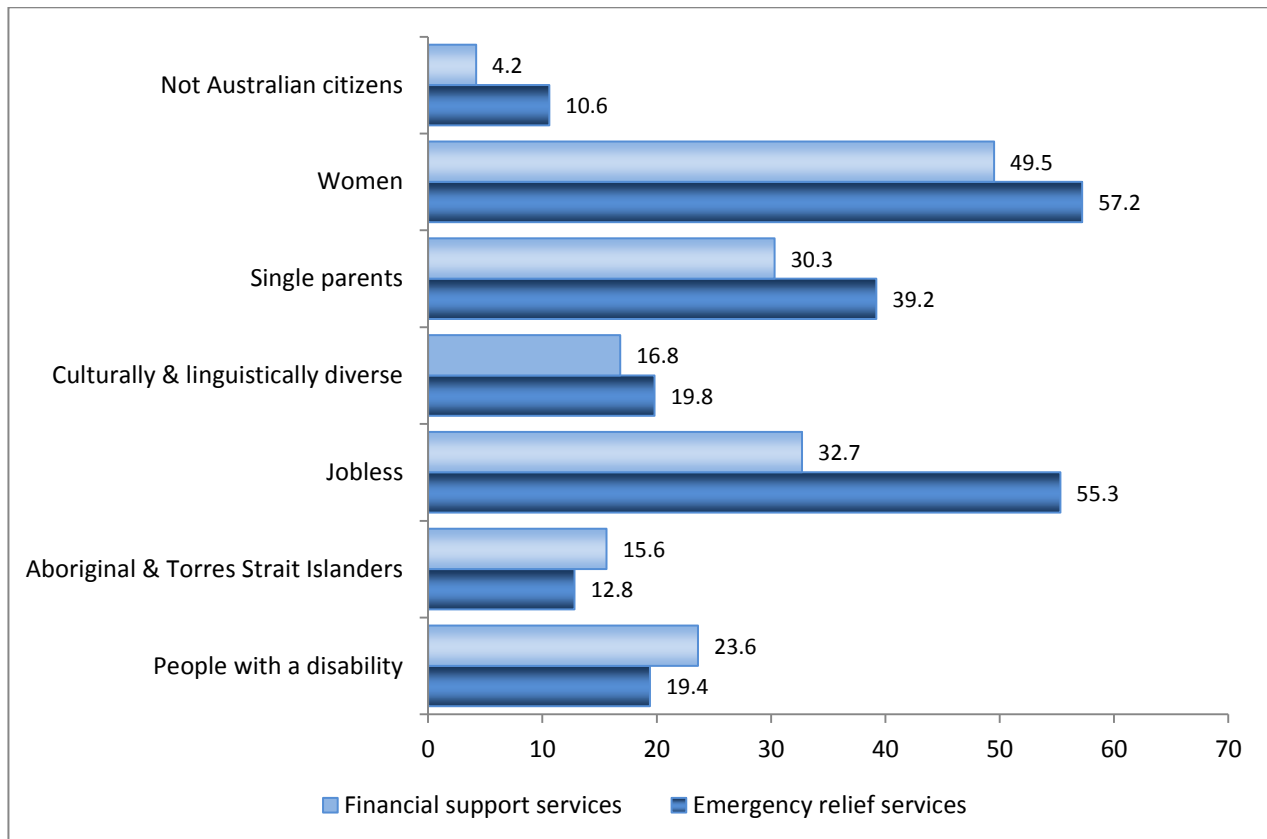
Figure 4.6: **Type of government pension, allowance or other income support payments received by emergency relief and financial support service clients (% estimated by survey respondents)**
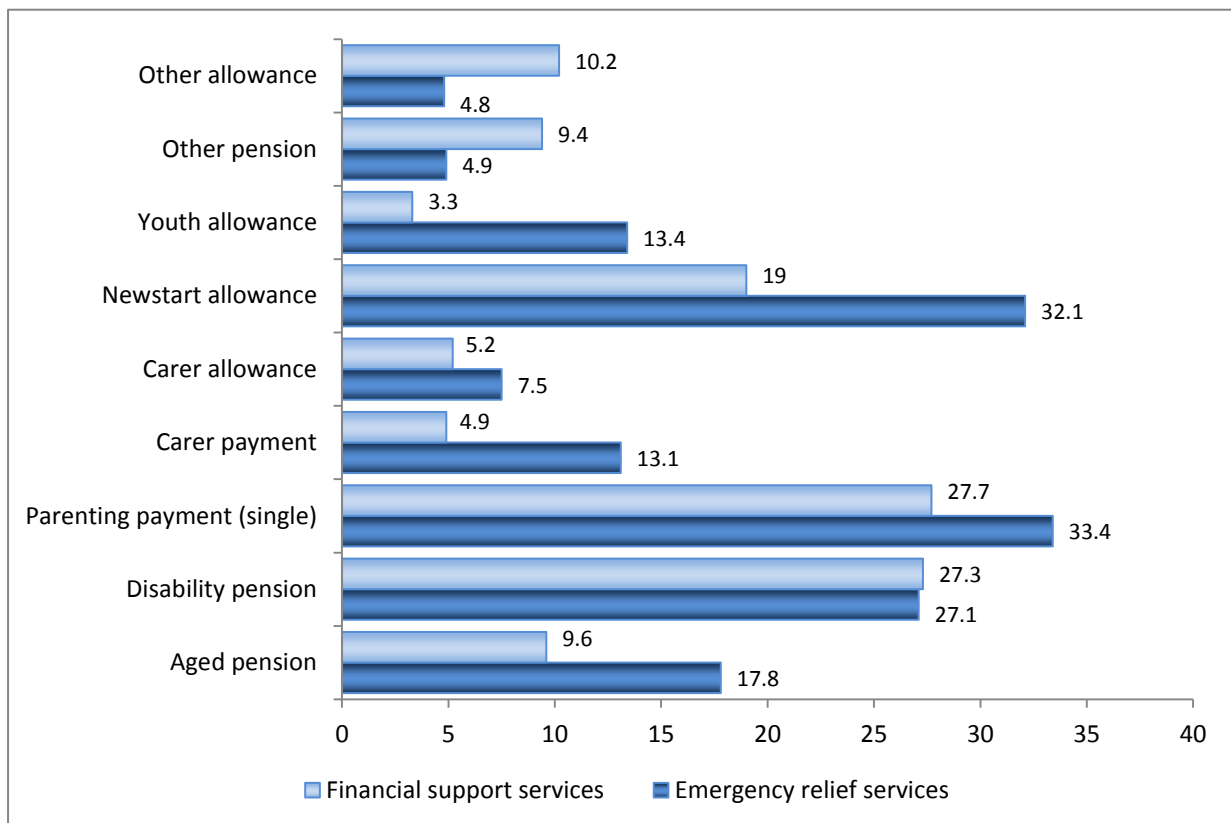
4.3.1 Factors contributing to client financial stress

A number of items were identified as contributing to the financial stress of emergency relief and financial support service clients.

Figure 4.7: Financial stresses experienced by emergency relief and financial support service clients (percentage estimated by survey respondents)
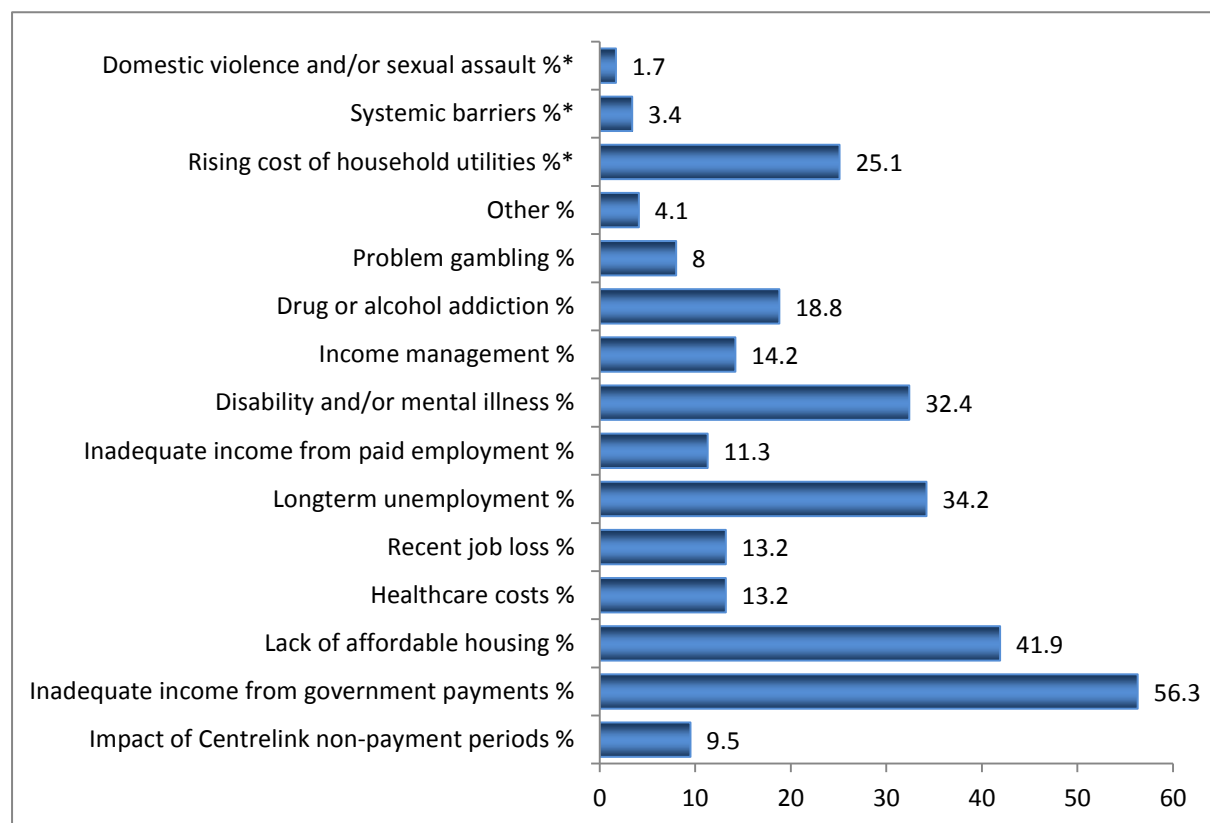
* These categories were created after the survey was taken from within the "Other" category, as there was a large response emphasising these stressors

Much of the advocacy around emergency relief stems from the increasing use of the service as a crutch for people who are heavily dependent upon government payments as their main or only source of income.

Service providers have identified inadequate income from government payments as the largest factor contributing to the financial stress of emergency relief and financial support service clients (56.3% or 209,488 instances).

Other large financial stressors for emergency relief and financial support service clients were identified as the lack of affordable housing (41.9% or 155,690 instances); long-term unemployment (34.2% or 127,221 instances); and disability and/or mental illness (32.4% or 120,728 instances).

Due to the high proportion of "Other" responses emphasising the financial stress of the rising cost of household utilities, it was decided, after the survey itself closed, to split the "Other" category into four sections – the rising cost of household utilities (25.1% or 93,296 instances); systemic barriers (3.4% or 12,471 instances); and domestic violence and/or sexual assault (1.7% or 6,148 instances). The "systemic barriers" category includes barriers such as: services unable to provide interpreters; the system proving too complicated to navigate; and lack of literacy.

Figure 4.8: **Financial stresses experienced by clients accessing financial support services**

	No of service clients	Percentage of clients of each service
Impact of Centrelink non-payment periods	35,316	9.5%
Inadequate income from government payments	209,488	56.3%
Lack of affordable housing	155,690	41.9%
Healthcare costs	49,066	13.2%
Recent job loss	49,137	13.2%
Long-term unemployment	127,221	34.2%
Inadequate income from paid employment	41,958	11.3%
Disability and/or mental illness	120,728	32.4%
Income management	52,778	14.2%
Drug or alcohol addiction	69,826	18.8%
Problem gambling	29,437	8.0%
Other	15,380	4.1%
Rising household utilities costs*	93,296	25.1%
Systemic barriers*	12,471	3.4%
Domestic violence and/or sexual assault*	6,148	1.7%
Total	**372,216**	

4.4 Service usage and demand

4.4.1 Introduction

Organisations offering emergency relief and/or financial support services were asked whether they had experienced increased demand between 2008-09 and 2009-10; and whether they had experienced a change in turn-away rates during the same period. They were also asked whether they felt they could adequately meet demand for their services; and whether they had to target their services more tightly than in the past.

Generally, demand for emergency relief and financial support services increased between 2008-09 and 2009-10. The provision of emergency relief and financial support services also increased, in an attempt to meet demand, but the turn-away rate grew as well, especially in the case of emergency relief, increasing by 47%.

Some financial support services, especially financial counselling services, reported that they were unable to meet demand. Services, especially emergency relief services, reported that they found they had to target their service provision more tightly than in the past.

4.4.2 Usage and turn-away rates

The provision of both emergency relief and financial support services increased between 2008-09 and 2009-10, due in a large part to the effects of the GFC. This was met with increased federal funding under the FMP.

However, the turn-away rates for both emergency relief and financial support services also increased. The turn-away rate for emergency relief services, in particular, increased by 47%. Survey respondents estimated that, for every 100 people seeking emergency relief, 10.1 people were turned away. For financial support services, the estimated turn-away figure was 3.6 people for every 100 people.

Figure 4.9: Estimated increase in service provision and turn-away rates for emergency relief and financial support services from 2008-09 to 2009-10

Type of service	Increase of service provision	Increase of turnaway rate
Emergency relief services	22%	47%
Financial support services	50%	8%

Many financial support services indicated that they experienced an inability to meet client demand. This was highest in the financial counselling area of financial support services, followed by financial literacy education and micro-finance. The area that strongly agreed they were meeting demand was the "Other" respondents, which included:

- Referral to other agencies;
- Budgeting assistance;
- Advocacy; and
- Financial aid for educational purposes.

Figure 4.10: Ability of financial support services to meet demand
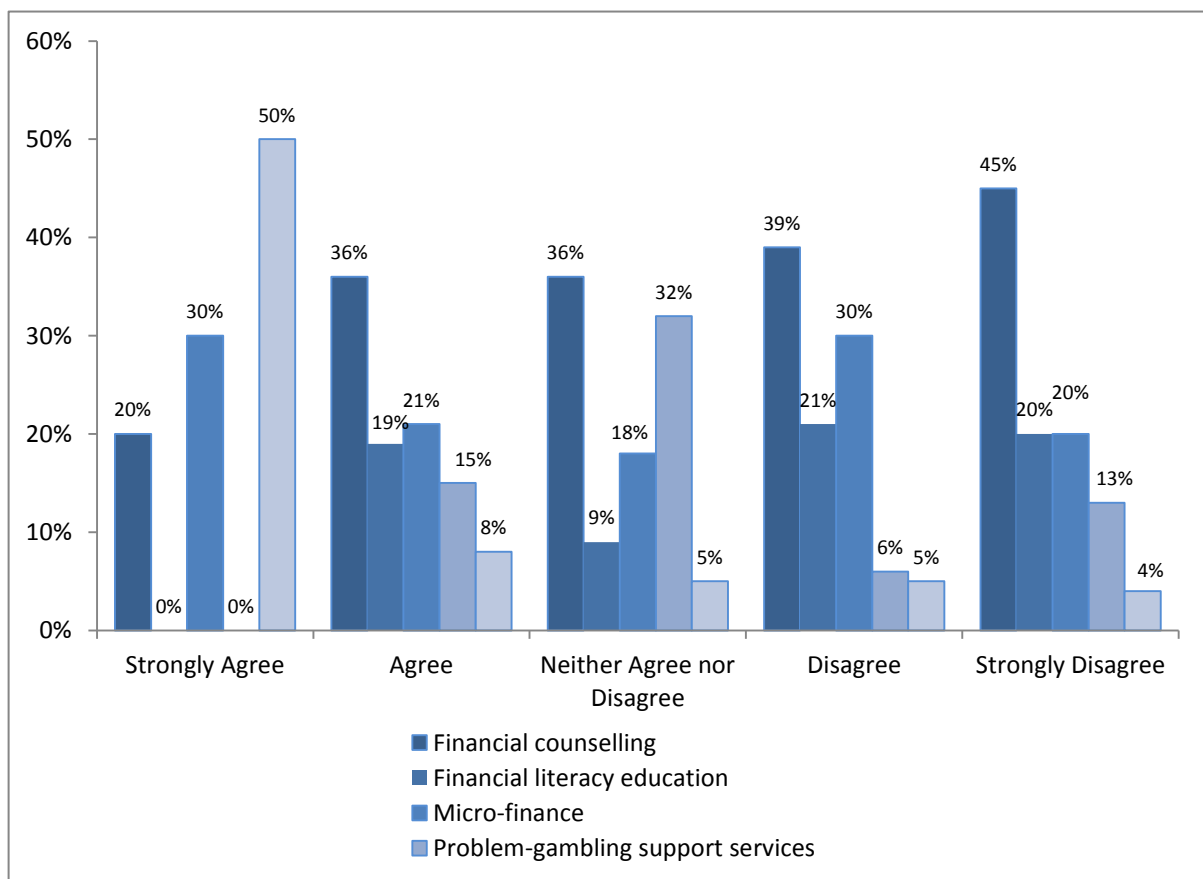
4.4.3 Service targeting

Many organisations have implemented targeting measures in order to limit over-demand for services, and to make the best of constrained resources. Targeting of service delivery can also be the result of constraints imposed by government policy and funding.

Any change in service targeting can be seen as an important means of gauging both demand for services, and an organisation's resources relative to this demand. The majority of emergency relief services agree that they have had to target their services more tightly in 2009-10 than in the past (53%), although only 17% strongly agreed with this statement. The majority of financial support services either agreed that they have had to target their services, or else did not agree or disagree with the statement. 8% of financial support services disagreed with the statement that they had had to target services more tightly in 2009-10 than in the past.

Figure 4.11: Proportion of emergency relief and financial services organisations that have targeted services more tightly in 2009-10 than in the past
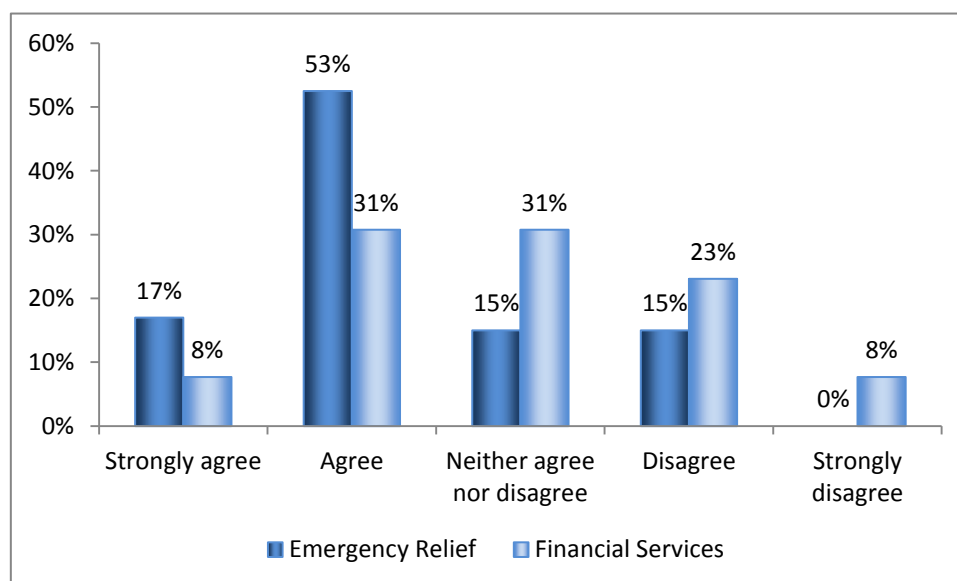
4.4.4 Average waiting times for emergency relief and financial support services

Services were asked to nominate the average waiting time for their service. The estimated average waiting times for both emergency relief and financial support services were very similar, with over 20% of clients experiencing no wait, around 45% experiencing a wait of 0-2 weeks, and approximately one quarter of clients having to wait between 2 and 4 weeks for their service. 1% of financial support clients, however, would have a wait of over 10 weeks, whereas no emergency relief service clients would have to wait this long.

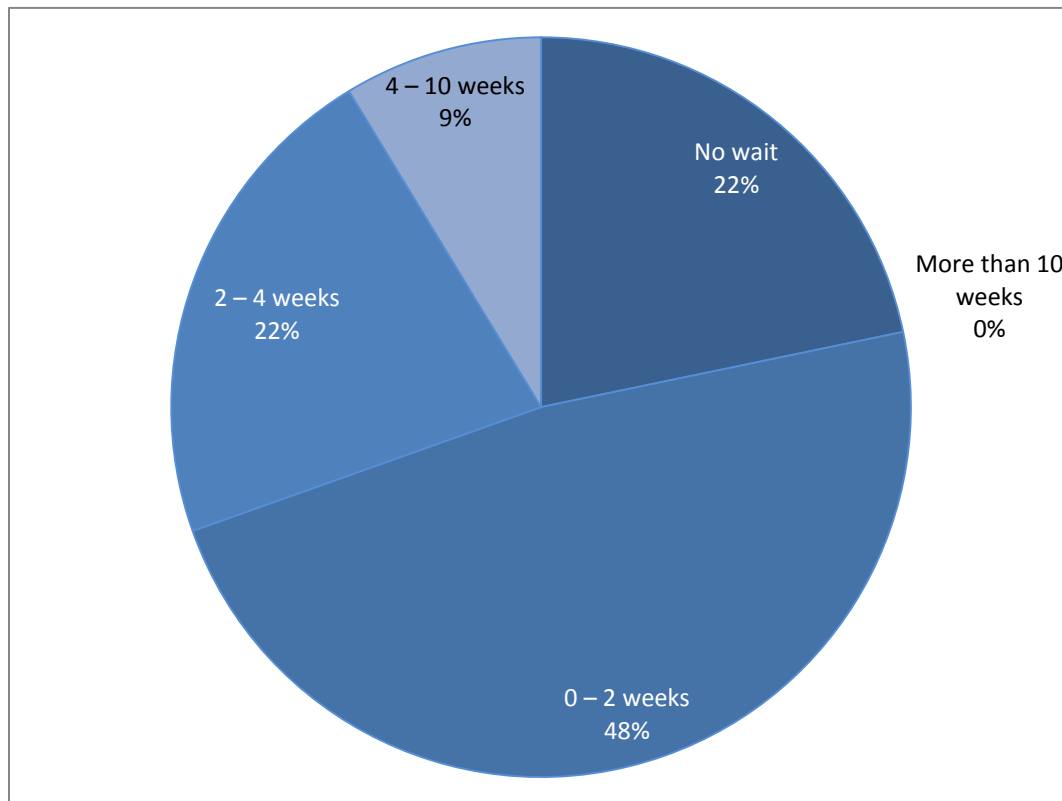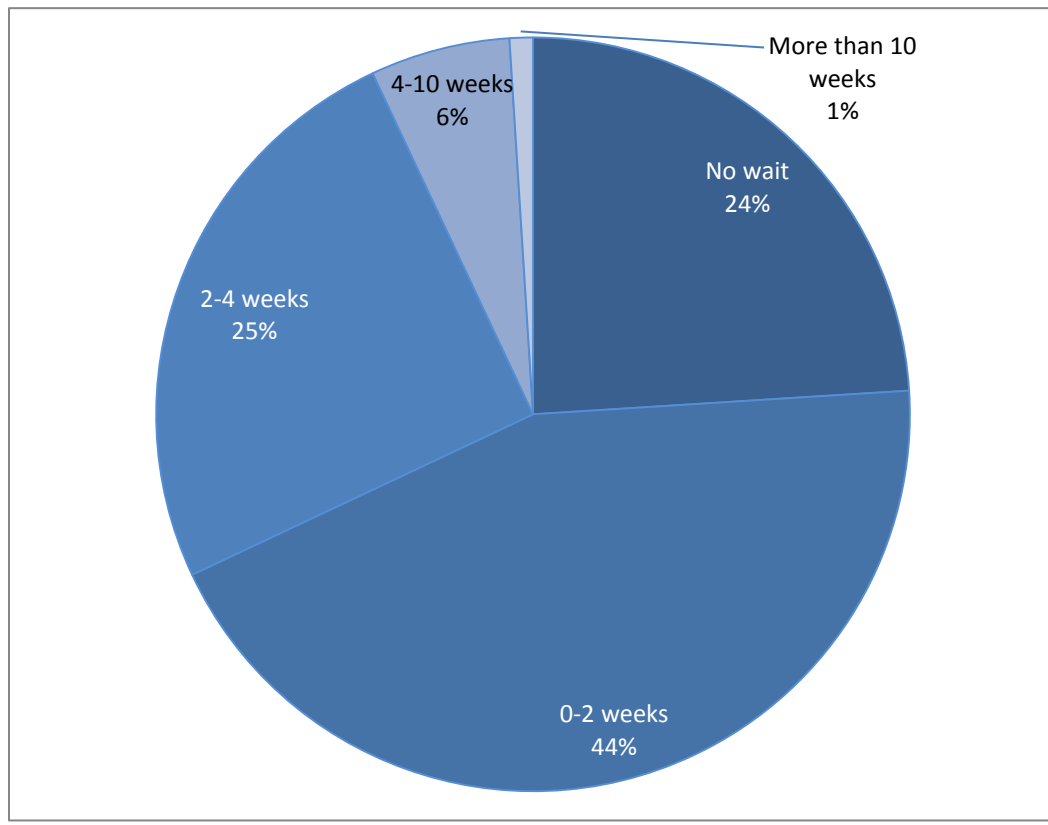**Figure 4.12: Waiting times for emergency relief services**

Figure 4.13: Waiting times for financial support services

44% of respondents stated that waiting times had remained about the same and 31% stated that waiting times had increased in the period between 2008-09 and 2009-10.

Figure 4.14: Have the waiting times for financial support services changed between 2008-09 and 2009-10?
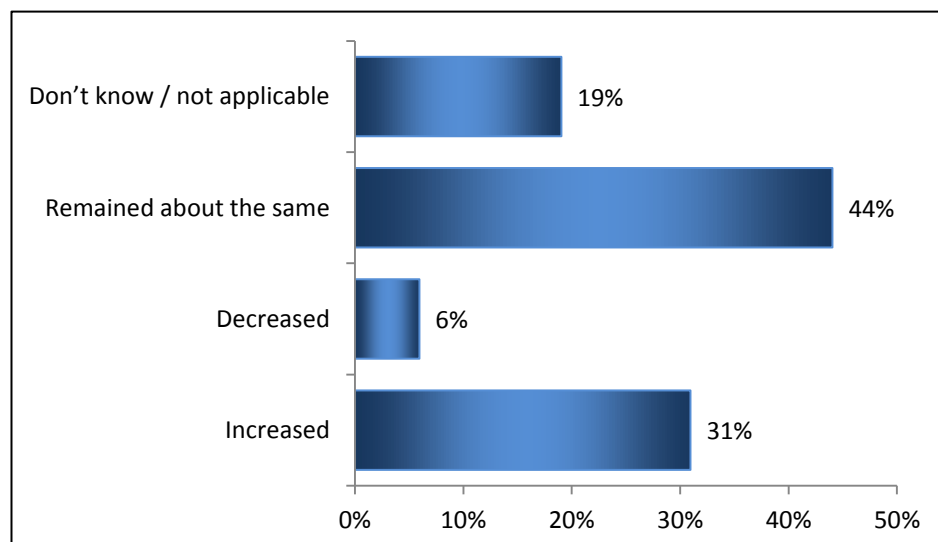
4.4.5 Impact of external factors on the provision of financial support services

Financial support services were asked to rank six separate factors in terms of the impact they had on the organisation's capacity to provide services. These factors were:

1. The complex needs of service clients;
2. Staffing issues, such as turnover, recruitment difficulties and training;
3. Unreliable and/or inadequate funding;
4. Increased demand for services;
5. Complex reporting and accountability requirements; and
6. Increased operating costs.

Figure 4.15: Impact of external factors on organisations' capacity to provide financial support services. (1) has the greatest impact and (6) has the least impact.
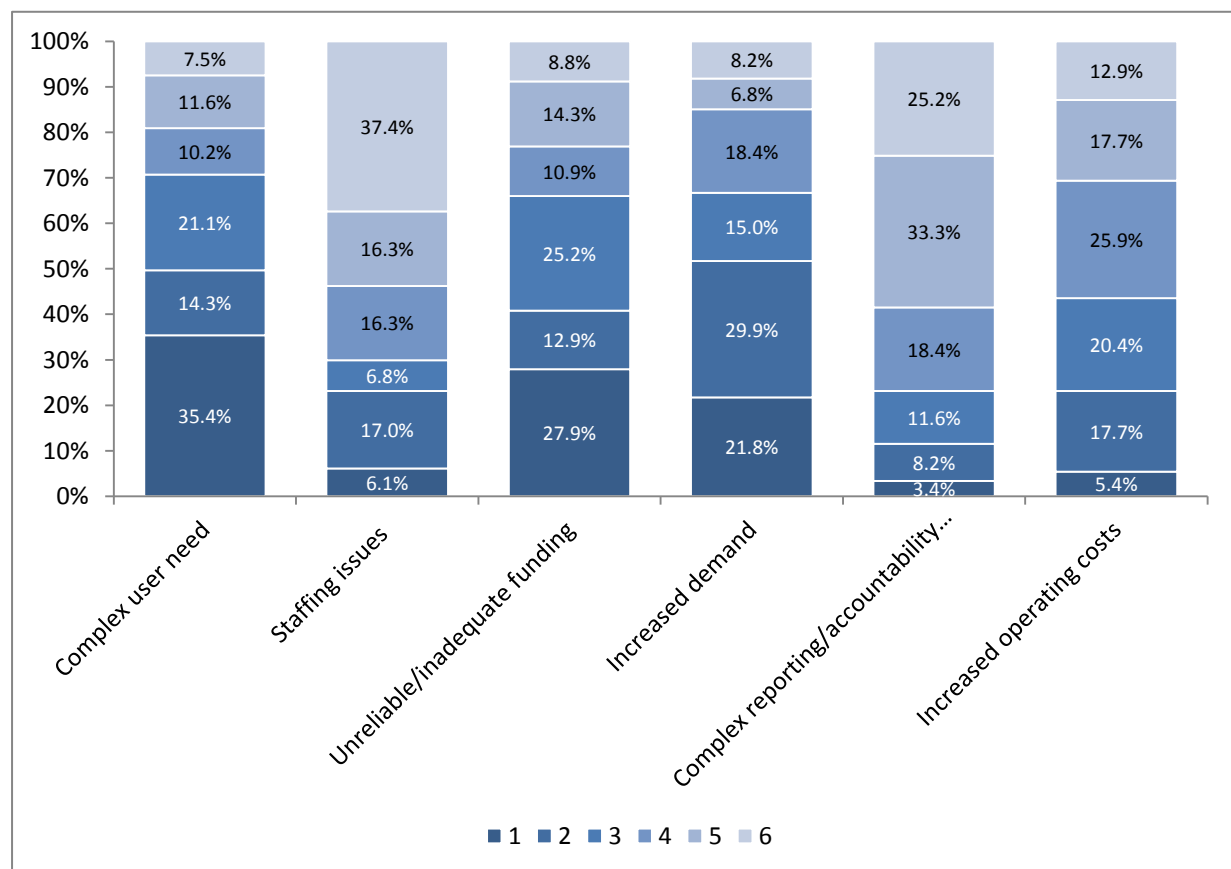
The factor that organisations rated as having the greatest impact on their capacity to provide services was complex user need. 35.4% of respondents indicated that this had the

greatest impact on their service. Unreliable and/or inadequate funding also had an impact, with 27.9% of respondents indicating this as the greatest impact on their capacity to provide services. 29.9% of organisations indicated that increased demand had a large (but not the largest) impact on their capacity. The issues that had the least impact on capacity to provide financial support services were staffing, at 37.4%, and complex reporting and accountability requirements, at 25.2%.

4.4.6 Impact of government initiatives or policies on service provision

Respondents were asked to indicate whether federal government initiatives or policies in 2009-10 had affected their organisation in a positive manner. Overall, many organisations remained neutral about the impact of federal initiatives and policies. However those that commented responded that Federal government initiatives and policies were less positive for emergency relief services than for financial support services: 36% of emergency relief services either disagreed or strongly disagreed that federal initiatives and policies had had affect their organisation in a positive manner.

Figure 4.16:   Positive federal government initiatives or policies affecting organisation for 2009-10
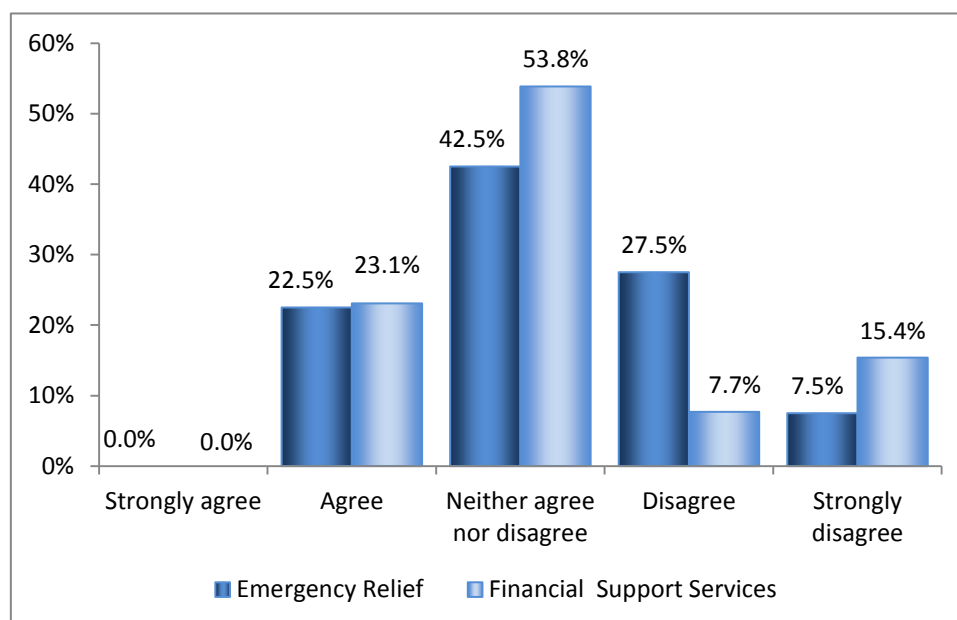
Organisations were also asked whether state and territory government, and local government initiatives and policies had positive effects. Survey respondents indicated that 38% of emergency relief services and 46% of financial support services found their local government initiatives and policies to have positive effects.

4.4.7 Unmet client need

Respondents were asked to estimate which services and supports their clients needed but could not access. The highest need identified for clients currently receiving emergency relief services was for housing and homelessness services, emergency relief services (perhaps indicating need for further emergency relief) and mental health services. The need for financial support services was not as great as the need for these other services. A medium need was identified mainly for:

- Child welfare, child services and daycare;
- Domestic violence and sexual assault;
- Family and relationship services;
- Information and referral; and
- Legal services and advocacy.
- The lowest identified need was for residential aged care and nursing homes.

The highest need identified for those currently receiving financial support services was also housing and homelessness services; followed by emergency relief, mental health services, and, again, financial support services (perhaps indicating need for more financial support services than the clients were currently receiving from that organisation).

Figure 4.17: Unmet need for clients currently accessing *emergency relief* services

Type of service	High need	Medium need	Low need	No need
Employment/training services	17	13	3	0
Disability services	11	14	5	1
Housing/ homelessness services	28	6	2	0
Child welfare, child services, and day care	7	19	7	0
Youth services and youth welfare services	12	13	8	0
Domestic violence and sexual assault services	11	18	6	0
Family and relationship services	13	16	5	0
Emergency relief services	26	6	0	0
Financial support services	21	12	1	0
Mental health services	23	10	1	2
Other health services	10	15	6	2
Information, advice and referral services	13	13	6	0
Legal services and advocacy	12	15	5	2
Migrant, refugee and asylum seeker services	4	13	10	4
Indigenous support services	4	14	10	3
Residential aged care and nursing homes	1	9	12	5
Services for the aged and elderly (excl. residential)	3	15	8	4
Other services	6	0	2	2
Total	**222**	**221**	**97**	**25**

Figure 4.18: Unmet need for clients currently accessing *financial support* services

Type of service	High need	Medium need	Low need	No need
Employment/training services	5	5	1	0
Disability services	4	8	1	0
Housing/ homelessness services	12	0	1	0
Child welfare, child services, and day care	4	6	2	0
Youth services and youth welfare services	2	5	5	0
Domestic violence and sexual assault services	4	6	3	0
Family and relationship services	5	5	2	0
Emergency relief services	9	4	0	0
Financial support services	8	2	1	1
Mental health services	9	4	0	0
Other health services	5	4	2	0
Information, advice and referral services	3	4	6	0
Legal services and advocacy	7	5	1	0
Migrant, refugee and asylum seeker services	2	3	6	1
Indigenous support services	3	6	4	0
Residential aged care and nursing homes	1	4	3	0
Services for the aged and elderly (excl. residential)	1	4	3	0
Other services	1	0	1	0
Total	85	75	42	2

4.5 Emergency relief and financial support services workforce

Emergency relief and financial support services have vastly different staffing needs. While emergency relief services utilised, on average, 38.8 staff (fulltime equivalent), financial support services utilised only 8.6 staff (fulltime equivalent).

Emergency relief services were most dependent upon voluntary staff for actual client contact (not management/board), while financial support services relied more upon paid staff for client contact. Both, however, relied upon a high number of volunteer board/management committee members compared with paid board/management committee members.

Figure 4.19: Average number of paid and volunteer staff (fulltime equivalent) employed by emergency relief and financial support services

	Emergency relief services	Financial support services
Paid staff (FTE)	2.9	3.7
Voluntary staff (FTE)	28.8	0.1
Paid board/management committee	0.3	0.1
Voluntary board/management committee	6.8	4.7
Total (FTE)	**38.8**	**8.6**

Figure 4.20: Relative proportion of paid/voluntary staff (fulltime equivalent) employed by emergency relief and financial support services
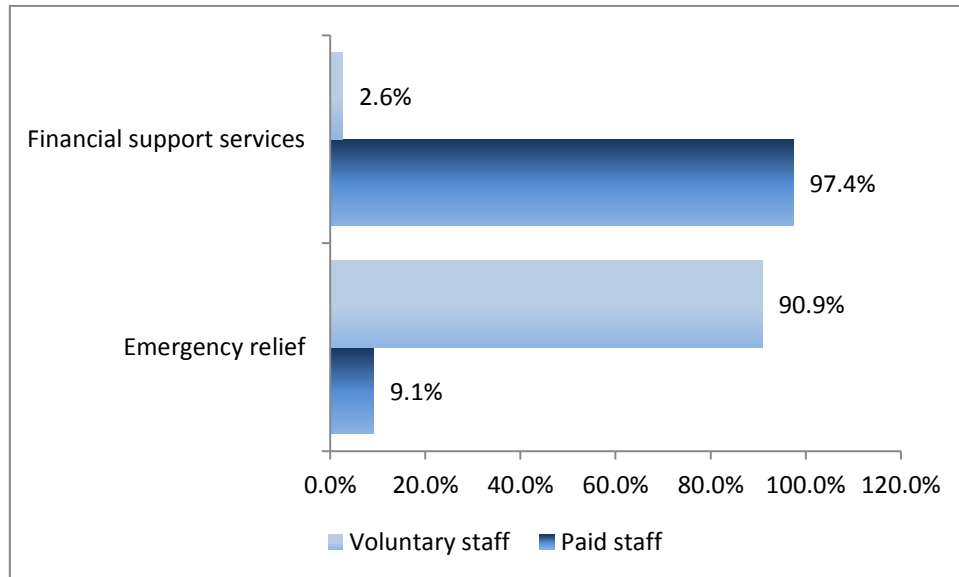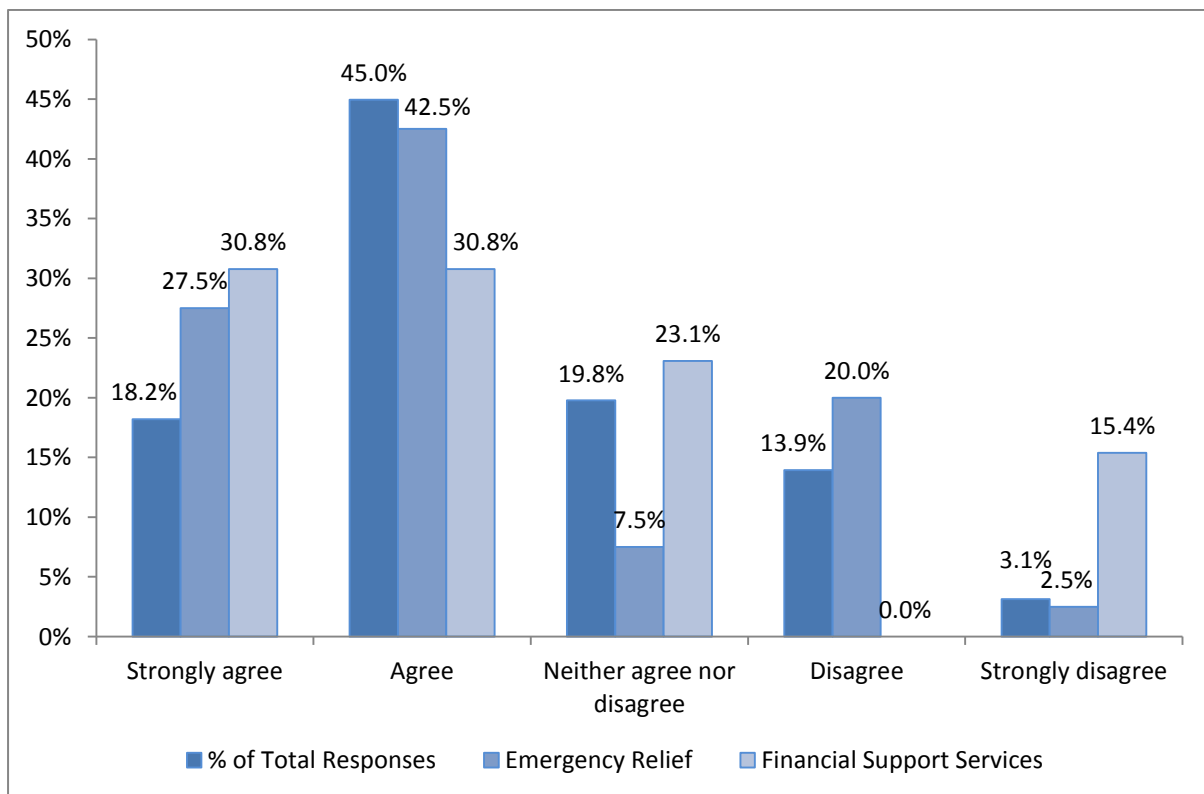

Figure 4.21: Were staff and volunteers required to work more hours in 2009-10 than in the past?

45% of emergency relief and financial support services agreed that their staff and volunteers were required to work more hours in 2009-10 than in the past. 28% of emergency relief service respondents strongly agreed with this statement, while 31% of financial support services strongly agreed. Overall, 63% agreed or strongly agreed that staff were required to work more than previously, compared with 17% who disagreed or strongly disagreed.

4.6 Referrals to and from emergency relief and financial support services

Organisations were asked to estimate the percentage of clients who accessed their organisation during 2009-10 from various referral pathways. These included from a:

- Government agency;
- Utilities provider;
- Court/lawyer/legal aid;
- Self-referral, or referral from client's family
- Internal referral, from one part of an organisation to another;
- Website or telephone referral;
- Non-government social service or community organisation; and
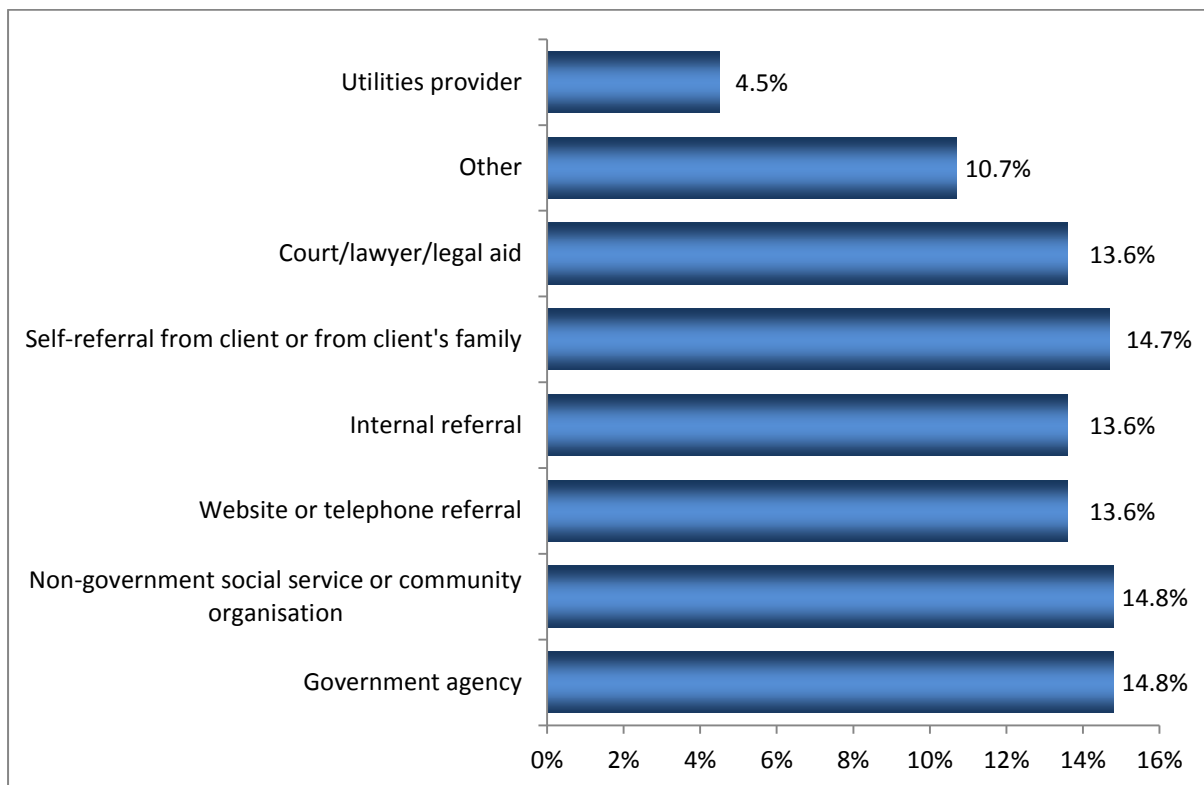- Government agency.

4.6.1 Referral pathways to emergency relief and financial support services

**Figure 4.22: Referral pathways to *emergency relief* organisations**
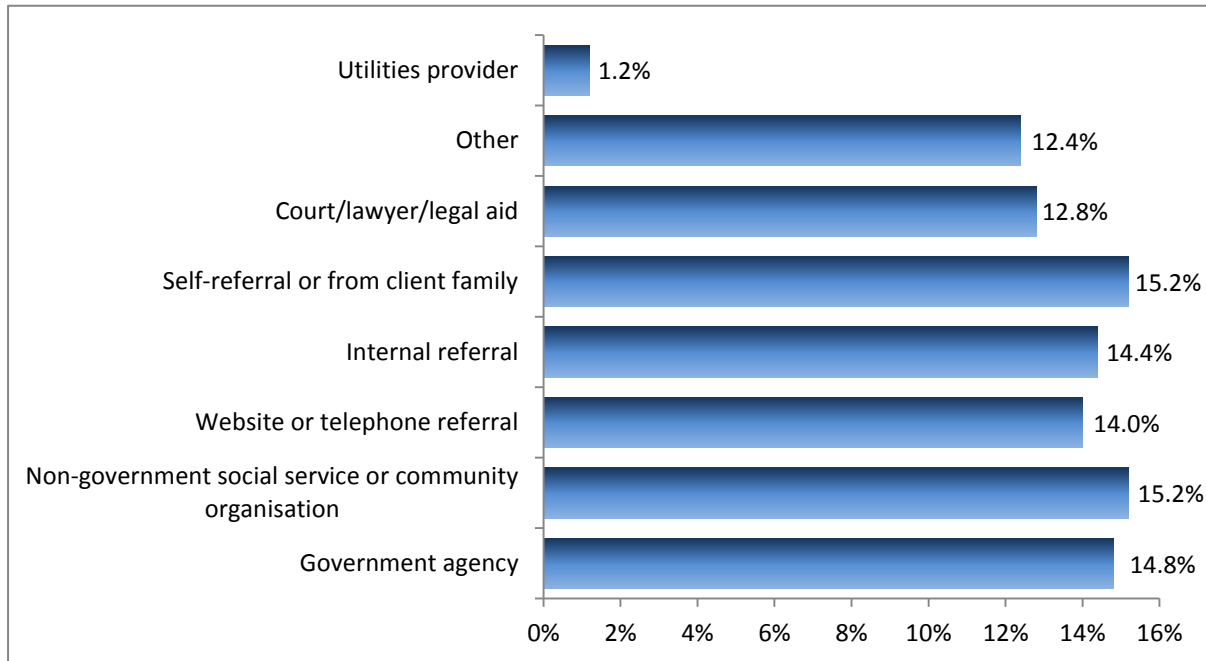
Referrals to organisations for emergency relief were more likely to come from the client themselves or the client's family (15.2%) or from a non-government social service or community organisation (15.2%). However, the estimated percentage of referrals from a government agency, through an internal referral process, or from website or telephone referrals was almost as high, at around 14% each.

Figure 4.23: Referral pathways to *financial support* services

Referrals to organisations for financial support services differed slightly to those for emergency relief. It was estimated that referrals from a government agency, a non-government social service or community organisations, and self-referral from a client or from the client's family were almost 15%. Website or telephone referrals, internal referrals, and court/lawyer/legal aid referrals were each estimated at 13.6%.

**Figure 4.24: Referrals from non-government social service or community organisations**
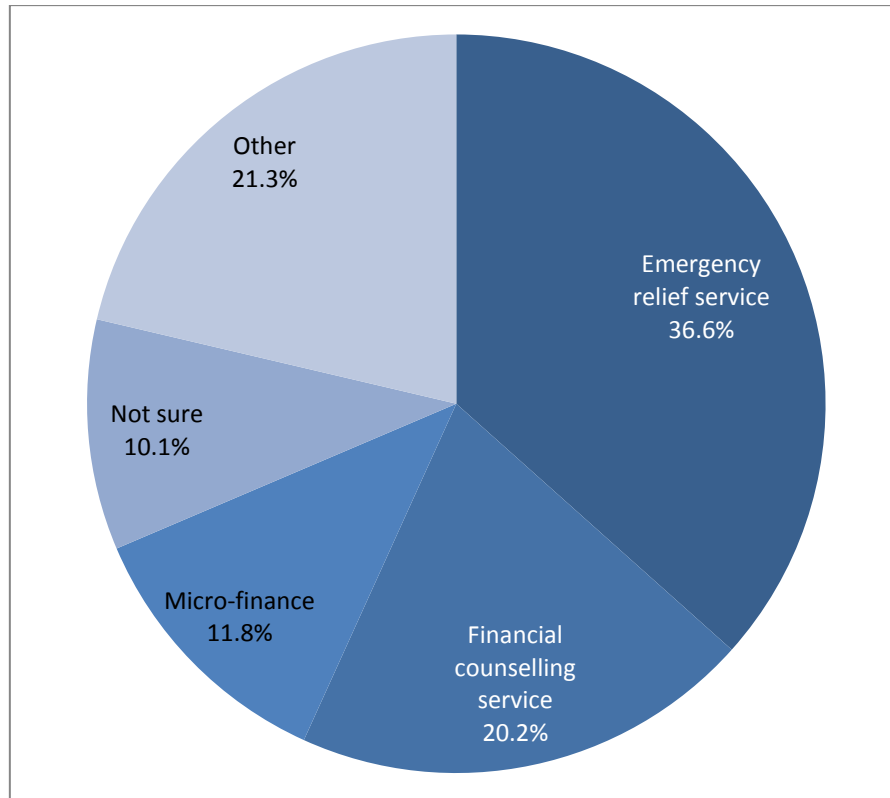
Referrals from non-government social service or community organisations to emergency relief and financial support services were further disaggregated into types of service. Referrals came mainly from emergency relief services (36.6%) or from other types of financial support services (32%). However, 21.3% nominated "Other" services, which included:

- Welfare agencies;
- Domestic violence services;
- Community health services;
- Aboriginal and Torres Strait Islander services; and
- Accommodation services.

4.6.2 Referrals to appropriate services

29.47% of respondents who indicated a need for financial support services stated that their organisation did not provide referrals to an appropriate service in 2009-10. The reasons for this are as follows:

Figure 4.25: Reasons appropriate referrals to financial support services were not provided by respondents
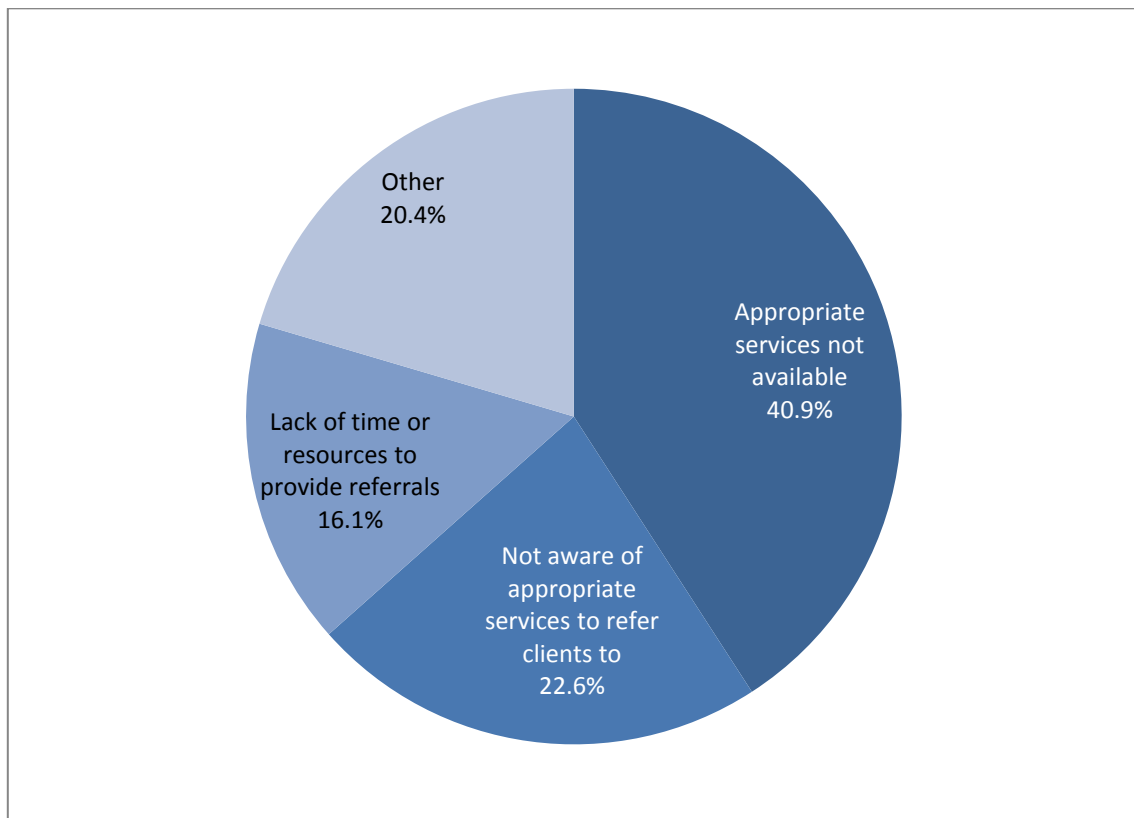
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