



Housing Services on the Edge

**Survey Report
June 2004**

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Background

This survey is based on an analysis of the sixth *Australians Living on the Edge* survey of the community services sector conducted by ACOSS and the state and territory Councils of Social Service in late 2003.

The survey examines key changes in the operating environment of Housing Services, major issues of concern to these organisations, and how they are responding. Indirectly, the survey also provide a sense of how Australian families are faring when accessing or attempting to access Housing Services.

This report is based on survey responses from 99 Housing Services nationally. In total these responding services delivered Housing Services to over 85,645 families in the 12 months to June 2003.

Methodology

The ALOTE 6 survey (see attachment) was distributed by mail to Housing and other services through the state and territory Councils of Social Service and selected national member organisations of ACOSS.

Services were provided with the option of completing the survey in hard copy or online.

This report is an analysis of the Housing Services that responded to the survey. It should be noted that a number of questions allow services to make multiple responses. In this report these are referred to as 'responses' while the terms 'agency' or 'services' are used in other instances.

99 Housing Services from around Australia completed this survey.

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Key findings

- There has been a 14% increase in the number of people assisted by all respondent Housing Services between the 2001-02 and 2002-03 financial years, rising from 75,119 to 85,645 people.
- There has been a 17% increase in the number of people seeking but not receiving service(s) between the 2001-02 and 2002-03 financial years, rising from 26,698 to 31,227 people.
- Housing Services are working in a climate of increasing pressure, with only 2 of 99 services reporting no increase in pressure. 75 services (76% of all respondents) identified existing clients having more complex problems as a source of increased pressure. The next most commonly cited sources of increased pressure were; more people seeking services (70 services or 71% of those surveyed), increased operating costs (59 services or 60% of those surveyed) and increase in referrals from other agencies (51 services or 52% of those surveyed).
- In response to the increase in pressure, Housing Services sought additional funds from government (14% of responses) and relied on increased, unfunded effort by staff and volunteers (13% of responses). 13% of responses indicated organisations are using up their financial reserves. However 12% of services were able to meet increased demand within existing capacity.
- Strategies employed by Housing Services to trim their budgets include reducing staff hours and wages, less expenditure on maintenance and repairs of service - operated housing and in worst case scenarios housing has been closed.
- On the whole Housing Services are optimistic about their ability to cope with pressures. 63% of services expect to meet an increase in demand or costs. However a significant proportion of services (41%) expect not to meet an increase in demand and/or an increase in costs over the next twelve months.
- 28% of respondents had difficulty in obtaining insurance cover in the 2002-03 financial year. The primary cause of this difficulty was the increased cost of cover.

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Survey Results

1. Size of agency by income

Table 1: Size of agency by income (Housing Services)

Income	No. of responses
Zero	1
\$1 - \$25,000	2
\$25,000 - \$100,000	9
\$100,000 - \$250,000	11
\$250,000 - \$500,000	31
\$500,000 - \$1m	23
\$1m - \$5m	14
Over \$5m	4
No answer	4
Total	99

2. Source of agency income

The figures for Housing Services show that the vast majority of income is derived from government grants (72%). The next greatest source of income is fees (16%). Contributions from business and donations represent a small proportion of Housing Services agencies' income.

Table 2: Source of agency income

Income	% (Housing)
Government grants	72
Client fees	16
Contributions from business	1
Donations	4
Other	7
Total	100

3. Labour force

The average number of paid staff employed by respondent agencies is 18. The average number of board and management volunteers is 6, the average number of clerical volunteers is 1 and the average number of service delivery volunteers is 14.

4. Number of people who received a service from participating agencies in the 2001-02 and 2002-03 financial years

The number of people assisted by respondent Housing Services has grown significantly between the 2001-02 and 2002-03 financial years. In the 12 months until June 2003 the 99 respondent organisations assisted 85,645 people, a 14% increase from 2001-02 (where 75,119 people received a service).

5. Number of people who sought but did not receive a service from participating agencies in the 2001-02 and 2002-03 financial years.

There has been a 17% increase in the number of people who did not receive the service(s) they sought between the 2001-02 and 2002-03 financial years (rising from 26,698 to 31,227 people). This data illustrates that demand for Housing Services is growing at a faster rate than the capacity of organisations to provide services.

Table 3: Number of people who sought but did not receive a housing service from responding agencies in 2002-03 and 2001-02

	No. of People who sought but did not receive a Housing Service
July 2002 - June 2003	31,227
July 2001 - June 2002	26,698

In the 2002-2003 financial year the number of people who sought but did not receive a housing service(s) was 36% of the number of people who did receive a service. This means that for every three people who sought housing assistance at least one was turned away.

6. What are the sources of increased pressure on the capacity of agencies to deliver services?

Housing Services are operating in a climate of increasing pressure. When asked to identify the source of increased pressure on their capacity to deliver services only 2 agencies identified no increase in pressure.

Seventy-five services, representing 76% of all respondents, identified existing clients having more complex problems as sources of increased pressure. The next most commonly cited sources of increased pressure were; more people seeking services (70 services or 71% of those surveyed), increased operating costs (59 services or 60% of those surveyed) and increase in referrals from other agencies (51 services or 52% of those surveyed).

Table 4: Sources of any increased pressure on Housing Services

Sources of any increased pressure	No. of responses	% of All Responses	Responses as a % of all Services Surveyed
No Increase	3	1	3
Increase in referrals from another agency	51	14	52
Another agency has closed down/reduced its services	16	4	16
Existing clients have more complex needs	75	21	76
More people are seeking service	70	20	71
Increased operating costs	59	17	60
Decrease in income	18	5	18
Difficulty in retaining skilled/experienced staff	32	9	32
A state govt. policy change affected clients	19	5	19
A federal govt. policy change affected clients	14	4	14
Total	357	100	

Federal Government Policy Changes

Fourteen percent of services identified Australian Government policy changes as a source of increased pressure.

The specific policies made mention of as affecting services and families were:

- Centrelink penalties for breach of payment conditions

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- Commonwealth – State Housing Agreements, reduction in funds for public housing
- Changes to the Pharmaceutical Benefits Scheme

7. What are the sources of any increase in agency costs?

Wages and employment on – costs were the most commonly cited source of increased agency costs by Housing Services. It should be noted that the 2001 Census of Population and Housing showed that in general, people employed in community services occupations had relatively low incomes, with only 15.9% overall receiving \$41,600 or more per year, compared, for example, with 39.6% of people employed in health occupations.¹

The other areas that scored highly were:

- The cost of accommodation and utilities
- The cost of insurance
- The cost of administration
- The cost of repairing and maintaining housing

Other causes of agency cost increases were the cost of compliance with the GST, the cost of technology and fuel.

8. What impact is the increased pressure having on service delivery?

Agencies which indicated increased pressure were asked to indicate the strategies they used to cope with this. Housing Services have employed a variety of strategies to deal with increased pressure on their services. Table 5 shows that the primary coping strategies used by respondent organisations were:

- seeking additional resources from government (14% of all responses),
- increasing the unfunded effort of staff and volunteers (13% of services), and
- Using up financial reserves (13% of responses)

Note that 12% of services were able to meet increased demand within existing capacity.

¹ Australia's Welfare 2003, p144

Table 5: Impact of any increased pressure on service delivery and coping strategies (Housing Services)

Impact on service delivery and coping strategies	No. of responses²	% of all responses
Met increased demand within existing Capacity	49	12
Greater targeting of services	32	8
Increased referrals to other agencies	38	9
Creation/extension of waiting lists	30	7
Using up financial reserves	53	13
Rationalising Assets	16	4
Increased (unfunded) effort by staff/volunteers	54	13
Sought additional resources from Government	58	14
Sought additional resources form Business	24	6
Sought additional resources from philanthropic organisations	29	7
Advocacy for systemic change	29	7
Other	8	2
Total	420	100

9. Where are costs being cut?

Housing Services have sought to reduce costs by reducing staff hours and wages. The quality of housing provided by services has been impacted upon by the need to cut costs. Services reported that they have been forced to reduce expenditure on furniture in their housing; the amount spent on maintenance and repairs of housing has also been cut. Tight budgets have even resulted in some service - operated housing being closed.

Other strategies include cuts to administration utilities and fuel.

Some specific responses from services regarding cost-cutting included:

'Cut back housing to tenant ratio'

A Queensland based Housing Service

'All areas have been cut back due to increase in costs and decrease in government funding'

A Housing Service based in the Northern Territory

² Note multiple responses were often provided; hence the number of responses is greater than the number surveyed.

'Reduced staff costs and reduced property supplied in our houses'
A Victorian Housing Service

'Eliminated two emergency houses – only one left'
A South Australian based Housing Service

'Closed house for homeless female students'
A Victorian Housing Service

10. Where agencies have experienced a decrease in pressure, what are the causal factors?

Seventy percent of all responses to this question indicated that there has been no decrease in pressure and a further two agencies did not answer this question. Twenty – nine responses indicated decreased pressure. Amongst these twenty – nine agencies the most commonly cited causes were seasonal factors (5 responses), increased funding (5 responses) and lower operating costs (4 responses).

Table 6: Sources of any decreased pressure on Housing Services

Sources of decreased pressure	No. of Responses ³	% of All Responses
Not applicable	68	70
Cyclical/seasonal factors	5	5
Less demand for services due to increase in ill-being of clients	2	2
Fee increases have led to a drop in demand	1	1
More agencies have opened to share workload	2	2
Increased targeting of Services	8	8
Decrease in referral from other agencies	0	0
Lower operating costs	4	4
Increased funding	5	5
Other	2	2
Total	97	100

³ Note multiple responses were often provided; hence the number of responses is greater than the number surveyed.

11. Expectations about organisations' capacity to deal with changes in demand, costs or other significant changes over the next 12 months

Many Housing Services indicated through the survey that they are anticipating pressures over the coming year. However on the whole Housing Services are optimistic about their ability to deal with these pressures. 10% of Housing Services expect an increased capacity due to a decrease in demand, 2% expect an increased capacity due to an increased income, 40% expect to meet an increase in demand and 23% expect to absorb an increase in costs.

On the other hand, 27% of services expect that they will not be able to meet an increase in demand, while 18% report they will be unable to meet an expected increase in costs over the next 12 months.

Thirteen percent of responses indicated that there was no change expected.

Table 7: Expectations over the next 12 months

Expectation	No. of responses⁴	% of all responses	Responses as a % of services surveyed
No change expected	13	8	13
Expect increased capacity due to decreased demand	10	6	10
Expect increased capacity due to decrease in costs	2	1	2
Expect increased capacity due to increase in income or other resources	19	12	19
Expect to meet increase in demand	40	26	40
Expect not to meet increase in demand	27	17	27
Expect to absorb increase in costs	23	15	23
Expect not to meet increase in costs	18	12	18
Other	4	3	4
Total	156	100	

Insurance

The results below show that while Housing Services made very few claims for most types of insurance, organisations report an average increase of 13% in the cost of cover between 2002-03 and 2003-04 and continuing difficulties in both affording cover and finding an insurer.

12. Types of claims made by Housing Services

⁴ Note multiple responses were often provided; hence the number of responses is greater than the number surveyed.

- Agencies were asked how many insurance claims they had made in the last two years. The results show that no agencies have made director's indemnity or professional indemnity claims. The majority of claims made were for building and contents and worker's compensation.

Table 8: Insurance claims made by Housing Services in the last two years

Director Indemnity	Volunteer Insurance	Prof Indemnity	Public Liability	Building & Contents	Workers Comp	Total Claims	Average no. claims per agency
1	0	0	2	54	39	106	1

13. Difficulties in obtaining insurance

Of the agencies that answered this question, 28% (or 28 agencies) reported difficulties in obtaining insurance cover in the 2002-03 financial year. Of these:

- 28 indicated that the difficulty was due to the increased cost of cover
- 16⁵ indicated that the difficulty was due to being refused cover by an insurer.

14. Costs of insurance

The data received from respondent agencies shows that the estimated collective cost of insurance cover for Housing Services in 2003-04 is \$865,619, while the estimated cost of cover in 2002-03 was \$1,010,469. This represents an increase of \$144,850 (or 17%) between 2002-03 and 2003-04.

⁵ Note some agencies identified both the increased cost of cover and refusal of cover from an insurer as causes of difficulty in getting insurance