

Australian Community Sector Survey 2013

National Report

ACOSS Paper 202

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The Australian Council of Social Service is the peak body of the community services and welfare sector and the national voice for the needs of people affected by poverty and inequality.

ACOSS' vision is for a fair, inclusive and sustainable Australia where all individuals and communities can participate in and benefit from social and economic life.

Established in 1956, ACOSS aims to reduce poverty and inequality by:

- Developing and promoting socially, economically and environmentally responsible public policy and action by government, community and private sectors; and
- Supporting the role of non-government organisations in providing assistance to vulnerable Australians and contributing to national policy making.

ACOSS members comprise community service providers, professional associations, advocacy organisations and individual supporters. ACOSS provides independent and informed policy development, advice, advocacy and representation about issues facing people in Australia affected by poverty and inequality and the community services sector. We also provide a key coordinating and leadership role for non-profit social services across the country. We work with our members, clients and service users, the non-profit sector, governments, departments and other relevant agencies on current, emerging and ongoing social, systemic and operational issues.

ACOSS acknowledges our supporters: Ashurst, Community Sector Banking, Hesta, Jobs Australia, Maxxia, Matrix on Board and Telstra.

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Table of Abbreviations

ABS	Australian Bureau of Statistics
ACNC	Australian Charities and Not-for-Profit Commission
ACOSS	Australian Council of Social Service
ACSS	Australian Community Sector Survey
AIHW	Australian Institute of Health and Welfare
ANZSIC	Australia and New Zealand Standard Industry Classification
AYAC	Australian Youth Affairs Coalition
CLA	Community Law Australia
COAG	Council of Australian Governments
COSS	Council of Social Service
EPPIC	Early Psychosis Prevention and Intervention Centres
ER	Emergency relief
ERO	Equal Remuneration Order
FWA	Fair Work Australia
GDP	Gross Domestic Product
HASI	Housing Accommodation Support Initiative
ICNPO	International Classification of Non-Profit Organisations
NCCS	National Classification of Community Services
NDIS	National Disability Insurance Scheme
NFP	Not for profit organisation



1. Executive summary

The Australian Community Sector Survey 2013 (ACSS) presents the findings from the ACOSS annual survey of community services across Australia. The survey was conducted between March and June 2013 and covers the period from 1 July 2011 to 30 June 2012. A total of 532 organisations responded to the survey, reporting on service provision, demand for services and unmet need, client demographics, and operational, policy and regulatory issues and challenges facing the community services sector.

The ACSS is the only annual national survey collecting data about the non-government, not-for-profit community services and welfare sector. This sector is a major provider of the social services that most people in the community will rely on at some point in their lives, but which are particularly important to people experiencing poverty, inequality and social disadvantage.

Since 1998 the survey has provided the only reliable barometer generated by the sector itself of how the sector is travelling and identifying where the current pressures are for frontline agencies and their peak bodies. Through its use of a unique service classification scheme and its ability to reach significant numbers of smaller, locally based organisations across Australia, the ACSS accurately reflect the breadth of views, challenges and pressures experienced across the sector.

1.1 Key findings

For people experiencing poverty and disadvantage in Australia, housing availability and affordability, community-based care treatment for mental illness, and emergency relief were reported as the greatest areas of need. This was identified by all services across the sector, who also reported improving the affordability and availability of housing as the top policy priority for the sector's clients. Other top priorities included reversing state government cuts to social and welfare services, and increasing mental health services and social support payments.

The services that were least able to meet demand amongst their own client groups were housing and homelessness services (66%), followed by legal services (63%), youth services (52%) and emergency relief (47%) providers. Mental health (47%) and domestic violence and sexual assault services (46%) also reported being unable to meet demand for services.

An examination of turn-away rates across services reveals that legal (20%), youth welfare (17%), housing and homelessness (16%) and domestic violence services (13%) continue to turn away clients at the highest rates.

Across all services most in demand, as well as among specific services least able to meet demand, people experiencing unemployment and living in insecure housing or experiencing homelessness featured strongly in each client group. Survey respondents reported a high proportion of people seeking help are people wholly reliant on income support payments, especially among clients presenting at housing and homelessness (77%), mental health services (61%) and Emergency Relief providers (75%).

Most services reported having targeted their services more tightly or limiting service levels to meet demand. This was especially so for legal services (85%), emergency relief providers (82%) and mental health services (70%).



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In terms of the effectiveness and sustainability of community services in Australia, underfunding and uncertainty about the funding of services stood out strongly as the greatest areas of future pressure on the sector. Challenges faced by smaller organisations to remain viable and ongoing unmet client demand followed closely on these concerns.

1.2 Summary of key findings

Housing still the highest priority for clients and policy makers

- 66% of housing and homeless services report struggling to meet demand.
- Over 60% of overall respondents listed housing and homelessness services amongst those for which their clients had the highest need.
- 61% of all respondents said improving housing availability and affordability is the top policy priority.
- 62% said waiting times for services had increased since the previous 12 months.
- Services reported a 16% turn-away rate, up 5% from 2010/11.

Legal services turn away one-fifth of all clients in need

- 63% of legal service providers reported not being able to meet demand for services, and legal services ranked second highest on inability to meet demand.
- 20% of all clients in need of assistance from surveyed community legal services were turned away in 2011/12, the highest turn-away rate across all service types.
- 85% of legal services reported having targeted their services more tightly or limiting service levels to meet demand.
- 67% reported being underfunded and 59% said they had increased waiting times for services.
- 76% of services asked staff and volunteers to work additional hours in attempt to meet demand.

Youth services also report extremely high turn-away rates

- Youth services reported the second highest client turn-away rate of 17% - almost 8% up on the previous year.
- 52% could not meet demand.
- 65% required staff or volunteers to work longer hours and targeted services more tightly or limited service levels to meet demand.



Mental health services, emergency relief in high need, yet struggle to meet demand

- 57% identified mental health services as 'high need', while 40% identified emergency relief
- Increasing the availability of mental health services was the third highest policy priority for the sector's clients.
- Over 80% of emergency relief providers agreed that the cost of service delivery exceeded revenue and reported targeting services more tightly or limiting service levels to meet demand.
- 70% of mental health services also reported targeting services more tightly to meet demand.

Key challenges facing the sector and opinions about sector-wide reforms

- The three most significant issues facing the sector identified were:
 - o Underfunding of services by government (58%);
 - o Funding uncertainty (51%); and
 - o Challenges for small organisations to remain viable (36%).
- Closely followed by unmet client demand for services (32%).
- 90% of respondents welcomed equal pay for the sector's workers following the successful case before Fair Work Australia, with 73% agreeing its implementation over 8 years as too slow.
- Respondents reported high levels of support for the idea that NFPs should prove they are making a positive impact (71%).
- 63% supported the implementation of a national regulator for the NFP sector.
- Services remain ambivalent about direct client funding models and about the impact of increased competition on service delivery.



2. About this survey

For over 15 years, ACOSS has conducted the annual ACSS¹. The survey is the only annual survey run nationally and collecting data about the non-government, not-for-profit community services and welfare sector. Through its use of a unique service classification scheme and its ability to reach significant numbers of small, locally based organisations across Australia, the ACSS reflects a breadth of views, challenges and pressures experienced across the sector.

The ACSS involves an evidence-based approach to measuring and monitoring continuity and change in the sector over a two-year period. It is designed to provide robust data about the scope and contribution of the sector. The data analysed are used widely by ACOSS and its networks and for media and other public functions. Due to sampling techniques employed (see Appendix 1), the findings are indicative of the sector, not necessarily representative.

The survey was in the field between March and June 2013. Respondents were asked to provide information relating to the period 1 July 2011 to 30 June 2012 – and, to a lesser extent – the previous (financial) year (2010/11). Results were analysed using SPSS survey software.

The survey report highlights major trends in service provision and demand and areas of unmet needs; provides information on operational, sector policy and sector reform issues; and profiles five service areas that faced particular challenges within the sector in 2011/12. A PDF version of the survey is available on the ACOSS website at www.acoss.org.au.

2.1 Some changes this year

In 2013 the Australian Charities and Not-for-Profit Commission (ACNC) commissioned a series of questions to ascertain whether organisations understood how the ACNC would affect them, and to provide feedback about where the ACNC should direct its efforts to reduce unnecessary regulatory burden. In turn, the inclusion of these questions resulted in a change to the questions about organisational size in order to align the ACSS measure with that used by the ACNC. As such, in this year's survey, organisational size is measured by total annual revenue².

In addition, several new questions were included in the 2013 survey to measure:

- The impact of rising electricity prices on emergency relief providers and financial support services; and
- The sector's use of social media.

Finally, new measures were included in the survey to improve the reliability of reported data on service usage and turn-away rates. A 'control' question asked respondents to indicate whether the data reported for service usage and turn-away was 'very accurate', 'fairly accurate' or 'mostly guesswork'. Another question measured respondents' perceptions of whether turn-away rates had increased, decreased or stayed about the same from the previous year. During data analysis, responses described as 'mostly guesswork' were removed from the sample to control for their impact on the overall results. The difference between statistical turn-away rates and respondents' perceptions of change over time is discussed in section 6.1.

¹ The first national ACOSS survey of the community service and welfare sector, *Australians Living on the Edge*, was conducted in 1998. It has been conducted annually since that date, renamed the *Australian Community Sector Survey* in 2005

² While the ACNC employs three annual revenue categories to determine organisational size, the 2013 ACSS uses five categories to enable a more nuanced exploration of the impact of size on organisations' understanding of regulatory reforms affecting the sector



2.2 Acknowledgements

This survey greatly benefitted from the work of a dedicated research team including Dr Shaun Wilson and Sasindu Gamage (University of New South Wales School of Social Sciences), Chantel Cotterell and Lisa Fowkes. ACOSS gratefully acknowledges their contribution. Particular thanks go to Sasindu Gamage who undertook all the SPSS work (data file management, data cleaning and analysis) for this report.

Our thanks also go to Councils of Social Service (COSS) members and all those organisations that continue to support the ACSS through their efforts to review, pilot, distribute, promote and participate in the survey.



3. Context 2011/12

In the summer of 2010/11 Australia's eastern states were devastated by severe floods, with Queensland – also hit by cyclones Yasi, Tasha and Anthony in the same period – suffering the worst impacts. The floods caused damage estimated at over \$2 billion dollars and directly affected 200,000 people in Queensland alone. Across all affected states, approximately 3.1 million people lived in flood-affected areas and the estimated loss to the Australian economy was half a percentage point of Gross Domestic Product (GDP). In the aftermath of the floods, the federal government announced a \$5.6 billion flood reconstruction program, which included a \$2 billion initial payment to Queensland.

In the 2011/12 Federal Budget, the government forecast that the economic challenges posed by the floods notwithstanding, the government would realise its commitment to return the budget to surplus in 2012/13. The projected return to surplus was achieved through a number of measures, including the introduction of a one-off flood and cyclone reconstruction levy and the delay of \$1 billion worth of infrastructure projects and other spending cuts.

Despite announcing savings measures amounting to \$22 billion, the government also used the 2011/12 Federal Budget to announce significant funding to improve the quantity, quality and coordination of mental health services as well as major reforms to the regulation of the not-for-profit sector. The National Mental Health Reform Package comprised \$2.2 billion over five years (including \$1.5 billion in new funds) allocated over five areas of reform:

1. Better care for people with severe and debilitating mental illness;
2. Strengthening primary mental health care services;
3. Prevention and early intervention services for children and young people;
4. Encouraging economic and social participation, including paid employment, for people with mental illness; and
5. Improving quality, accountability and innovation in mental health services, including through the establishment of a new independent National Mental Health Commission.

Not-for-profit sector reform was also addressed within the 2011/12 budget, when the government committed to the establishment of a national regulator for the not-for-profit sector (the ACNC); the reformation of tax arrangements including access to tax concessions for commercial activities for the sector; and the introduction of a statutory definition of charity. ACOSS strongly advocated for several of these reforms and was actively engaged in the consultative processes that informed developments in each area. Throughout 2011/12 ACOSS and the sector continued to advocate for the charity definition to be the first area of reform, thus enabling the regulatory and taxation arrangements to flow from it. Instead over the course of the year, the ACNC and tax reform processes unfolded first, with the definition being held over to form the final piece of the reform puzzle. This made it extremely difficult for the sector to fully understand the implications of the regulatory and tax reforms as they were considered and, in some cases, implemented.

Perhaps the most significant social reform announced in 2011/12 was the National Disability Insurance Scheme (NDIS). In August 2011, the Gillard government accepted the Productivity Commission's final report on Disability Care and Support and announced that it would immediately begin working with the states and territories to implement the report's key recommendation to establish a National Disability Insurance Scheme (NDIS), providing tailored care and



support to people with a significant disability. The main features of the scheme recommended by the Productivity Commission included:

- Entitlements to individually tailored supports based on the same assessment process;
- Certainty of funding based on need;
- Genuine choice over how needs are met (including choice of provider);
- Local area coordinators and disability support organisations to provide grass roots support; and
- A long-term approach to care with a strong incentive to fund cost-effective early interventions.

In April 2012, the government stated that it would set aside money for the creation of the NDIS in the coming budget. Both the commission's report and the government's announcement about funding for the scheme met with bi-partisan political support, enabling work towards the implementation of this social reform to begin.

Finally, in February 2012, Fair Work Australia (FWA) handed down its decision in the Equal Remuneration Case for community sector workers, which awarded pay rises of 19-41% to workers across the sector. FWA found that the implementation should be phased over 8 years starting in December 2012, with a further 4% increase to be spread out over 8 years. ACOSS had long called for pay equity across the social service sector (and specifically for market-based wages for community service workers) based on consecutive findings from previous Australian Community Sector Surveys (ACSS), which showed that attraction and retention of staff was the single biggest operational challenge facing not-for-profit community services. As such, ACOSS welcomed the FWA decision as a significant milestone towards ensuring viable, effective social services by requiring appropriate levels of pay for the staff depended upon to deliver those services. However, in its aftermath, we continued to highlight that the responsibility to fund appropriate wages is as much an issue for funders as for services themselves, largely because the provision of social services has increasingly been outsourced by governments to community organisations. As such, the sector's advocacy efforts since February 2012 focussed on ensuring that government and non-government funders committed to working with community services to develop funding models that ensure workers are paid adequately.

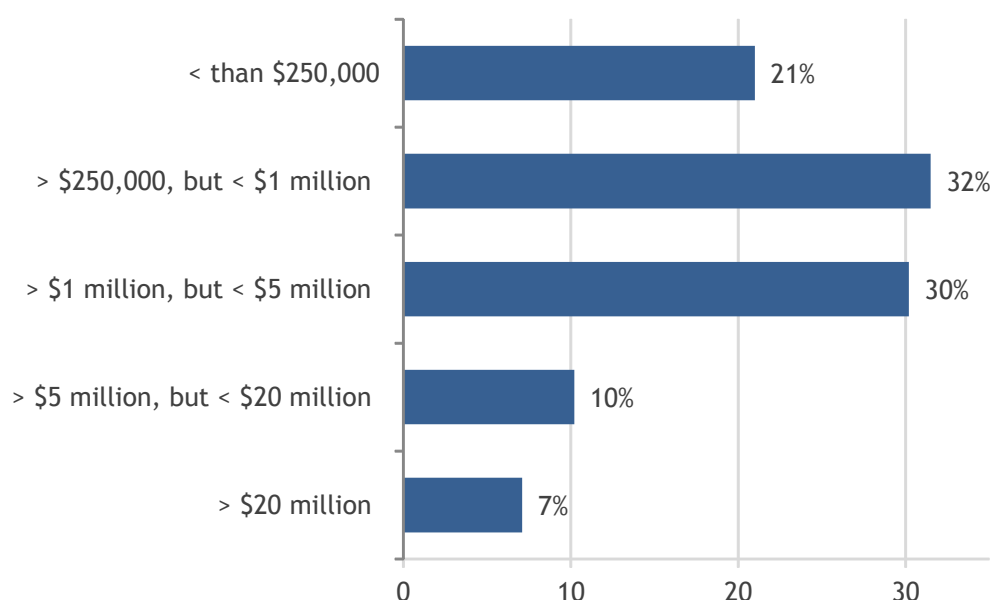


4. Who answered the survey?

A total of 532 valid survey responses were obtained³. Responses mainly came from Chief Executive Officers, Executive Officers and managers (with various responsibilities) within the sector (61%). The high rate of participation of executives and managers enhances the reliability of the data presented because they are more likely to know or have access to accurate information about organisations' service delivery and operations, including service contracts, human resources, client demographics and the impacts of policy and regulatory changes on service delivery. Other positions held by respondents included: direct service workers, policy, research and human resources officers and others.

As expected, most responses came from the sector's smaller organisations, with 53% of respondents reporting on organisations with an annual turnover of less than \$1 million (Figure 1).

Figure 1: Organisation size, based on total annual revenue for 2010/11 financial year



Question: Thinking about your organisation as a whole, please estimate the total annual revenue over the 2011/2012 financial year. Rows sum to < 100 % due to exclusion of 'don't know' responses.

The overwhelming majority of respondent organisations were involved in direct service provision (84%). Peak bodies comprised 9%⁴, and organisations dealing with sub-contractors made up only 1% of the sample.

As shown in Figure 2, information, advice and referral services was the most commonly reported on service type, followed by housing/homelessness, disability, and youth and youth welfare services. Over the past several years, information, advice and referral services have featured consistently as the most commonly provided service type reported on in the survey. There are several possible reasons for this, key amongst which is that the majority of organisations providing information, advice and referral services do so in the context of specialist

³ A detailed description of the measures undertaken to ensure the quality of the sample is included in Appendix 1

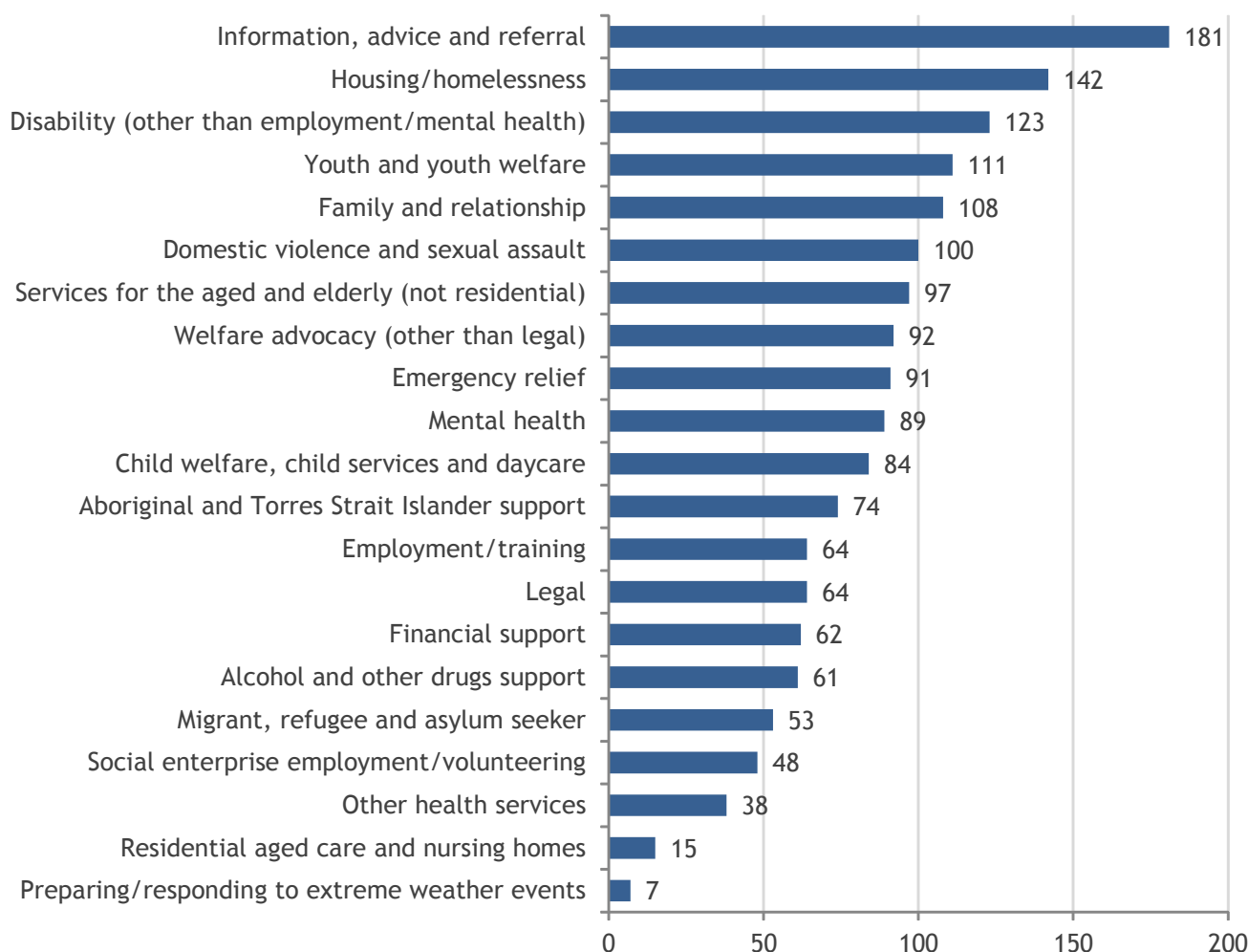
⁴ This figure includes peak bodies where its members are primarily organisations involved in service delivery as well as those where the majority of its members are individuals (e.g. consumers, practitioners)



service delivery in at least one other service area. For example, referral is emerging as a critical component of emergency relief work as client needs become increasingly complex and some services move towards case management models of service delivery to ensure clients are connected to the full range of services they need. Indeed, 99% of respondents who reported providing information, advice and referral also reported providing at least one other type of service.

As such, the data about information, advice and referral services should be treated cautiously. On the one hand, it is an important part of the work that community services do to ensure that people are connected with the services that best meet their needs. This work is largely un-recognised and unfunded. On the other hand, the high reported levels of provision of information, advice and referrals may also hide the true extent of unmet need for services and turn-away rates within the community and particular service areas, an issue that is discussed further later in this report.

Figure 2: Main areas of service provision



Question: Please indicate which of the following account for the main areas of service provision of the organisation you are reporting for (respondents could tick up to four main service areas). In this graph, figures are total mentions of each service type by all respondents in the sample.

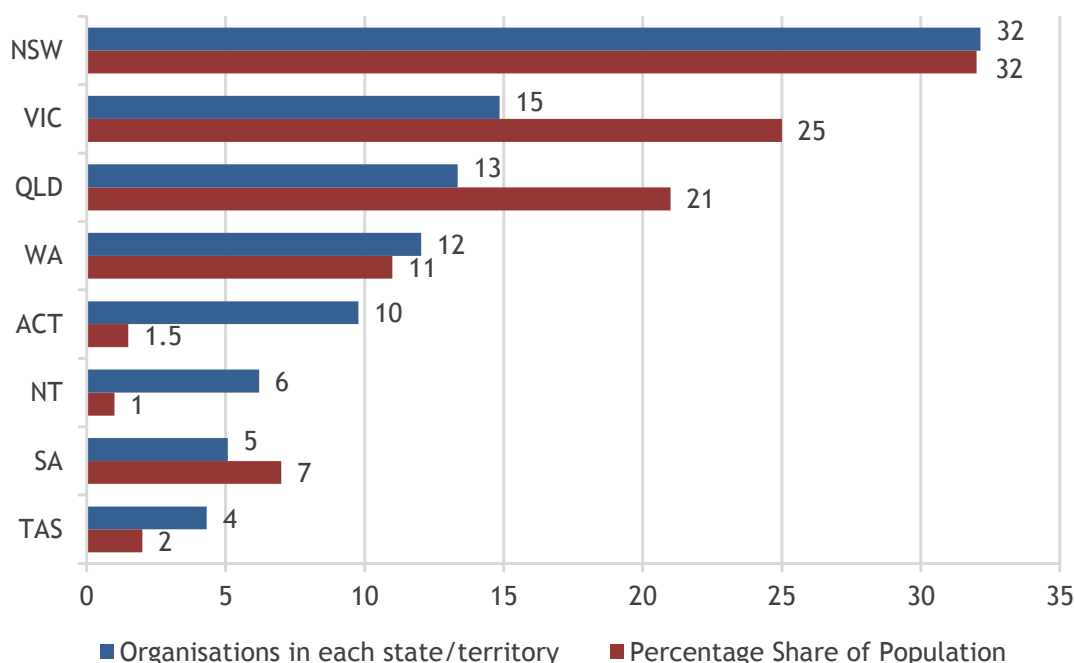


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Respondents were also asked to provide information about their organisations' charitable and tax status. In this sample, 55% of respondents were income tax exempt charities, 52% were deductible gift recipients and 44% were public benevolent institutions. 10.3% of respondents indicated they fell within none of these categories.

As shown in Figure 3, responses were received from organisations operating in all states and territories with NSW accounting for the highest proportion of respondents as in previous years (32%). Comparing the breakdown of organisations' location by state and territory with Australian Bureau of Statistics (ABS) population estimates from June 2012 reveals that the percentage of respondents from NSW, WA, SA and Tasmania included in the sample was proportionate to those states' share of the overall population (32%, 11%, 7% and 2% of the total population respectively), while organisations from Victoria and Queensland were significantly under-represented (25% and 21% of the total population respectively) and organisations from the ACT and the NT were heavily over-represented in the sample (1.5% and 1% of the total population respectively)⁵.

Figure 3: Percentage of respondent organisations located in each state and territory



Finally, 33% of respondents operated solely in major cities, while 17% delivered services across urban, regional, rural and remote locations.

⁵ ABS (2012) Australian Demographic Statistics – June 2012, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/3101.0/>



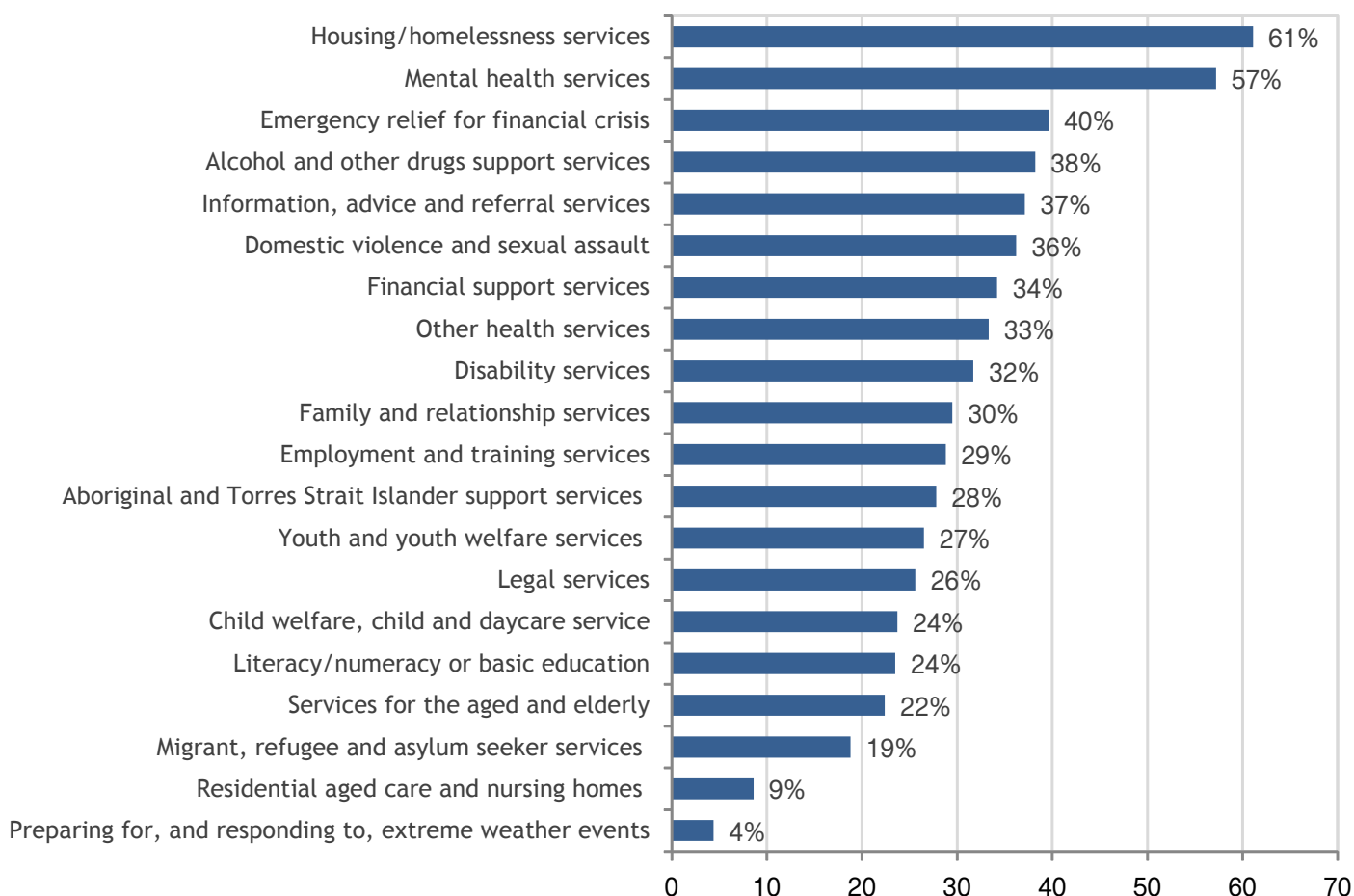
5. Unmet needs

Sections 5 and 6 present different ways of comparing the financial, organisational and service delivery challenges faced by organisations. Taken together, they provide a detailed picture of pressures across the sector and for specific service types.

5.1. What services do the sector's clients need most?

Respondents from across all service sub-sectors consistently identified housing/homelessness and mental health services and emergency relief as the assistance most needed by their clients.

Figure 4: Services clients need most



Question: Please tell us the level of need that people accessing your service have for each of the following. Response categories: High need, medium need; low need. Only 'high need' responses are reported.

Housing was the highest need for clients across all service types.

61% of respondents across all service types reported their clients had a **high need for housing/homelessness services**

Mental health services and **emergency relief** were also in high need.

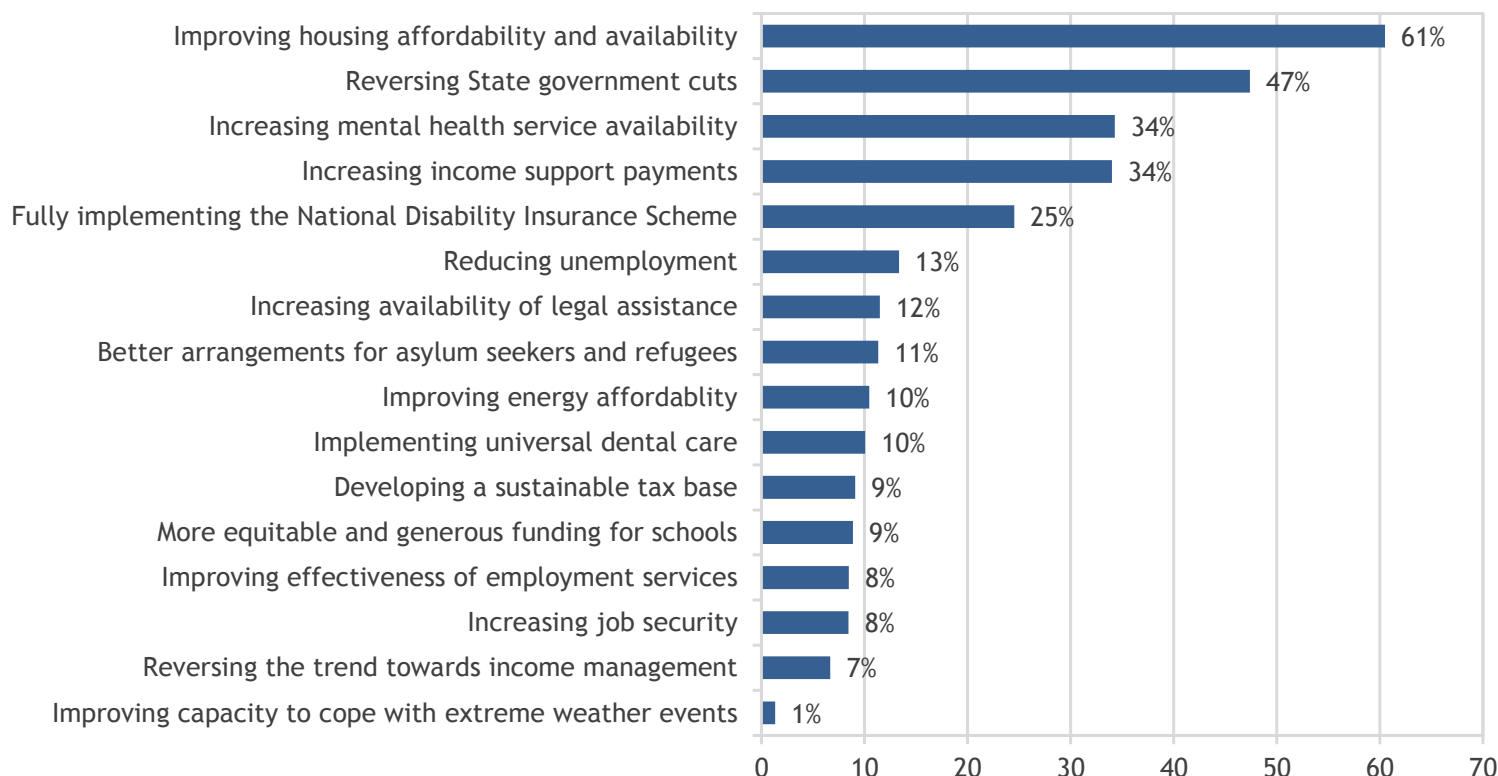
57% reported their clients were in high need of **mental health services** and **40%** reported high levels of need for **emergency relief**



5.2. Priority policy issues for clients

Improving housing affordability and availability, reversing state government cuts to health and community services, and increasing the availability of mental health services stand out as the top policy priorities for **clients** of the sector.

Figure 5: Top policy priorities for the sector's clients



Question: Here is a list of policy issues that affect the clients of community sector organisations. Please tell us which of the following should be the top priority for government action. And the second? And the third? (Responses are total mentions expressed as percentage of respondents). **Note:** 'Increasing social support payments' combines two categories: increasing income support payments and increasing Newstart and Youth Allowance.

61% of respondents ranked improving **housing affordability** as the highest priority for clients.

Reversing state government funding cuts to community services ranked second, at **47%**

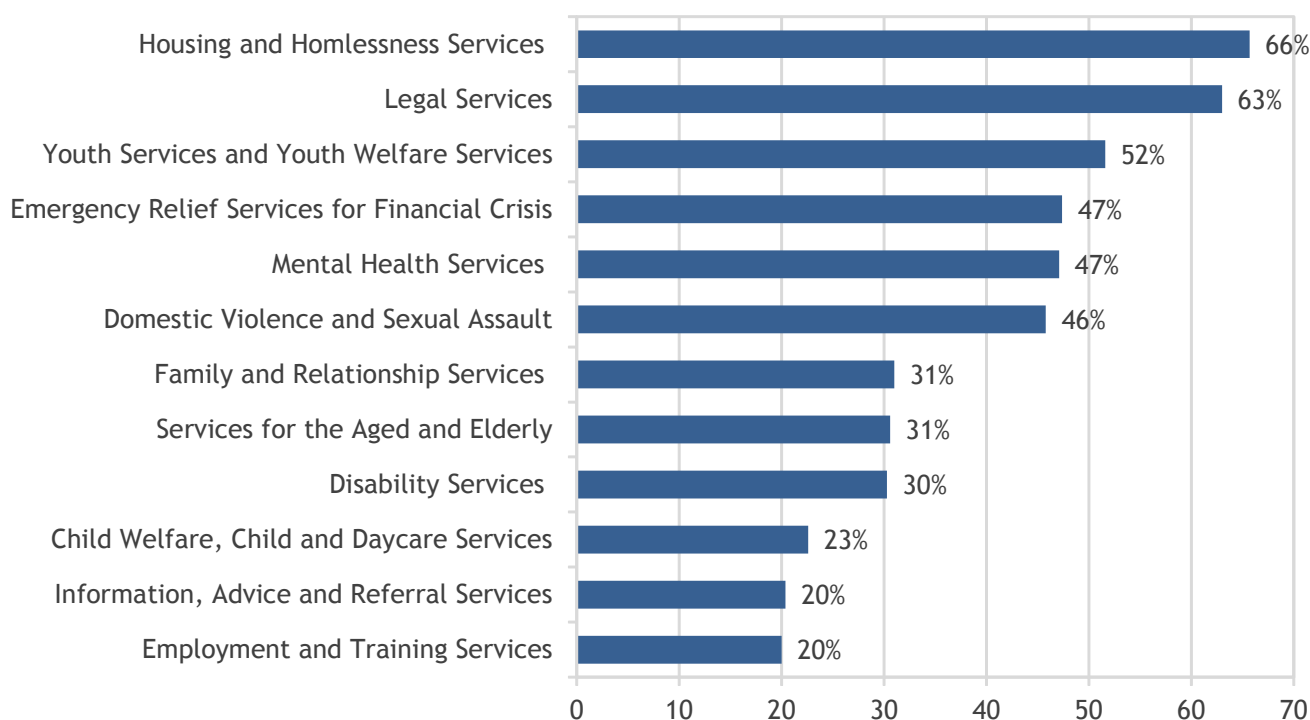
At **34%** each, **increasing income support** payments for unemployed people and **increasing the availability of mental health services** ranked equal third.



6. Demand for services

Each year, the ACSS measures the capacity of specific services within the sector to manage demand for services⁶. In 2011/12, over 50% of organisations providing housing and homelessness (66%), legal (63%) and youth and youth welfare services (52%) reported being unable to meet demand for their services. A high proportion of emergency relief providers (47%), mental health (47%) and domestic violence and sexual assault services (46%) also reported being unable to meet demand for services (Figure 6).

Figure 6: Services unable to meet demand by main area of service provision



Question: 5-point scale measuring 'agree-disagree' responses to the statement 'our organisation is able to meet demand for this service'. This graph shows the combined percentage of respondents who disagreed or strongly disagreed with the statement to provide a measure of demand pressures across the sector. Only service categories with n>20 are reported.

6.1 Turn-away rates

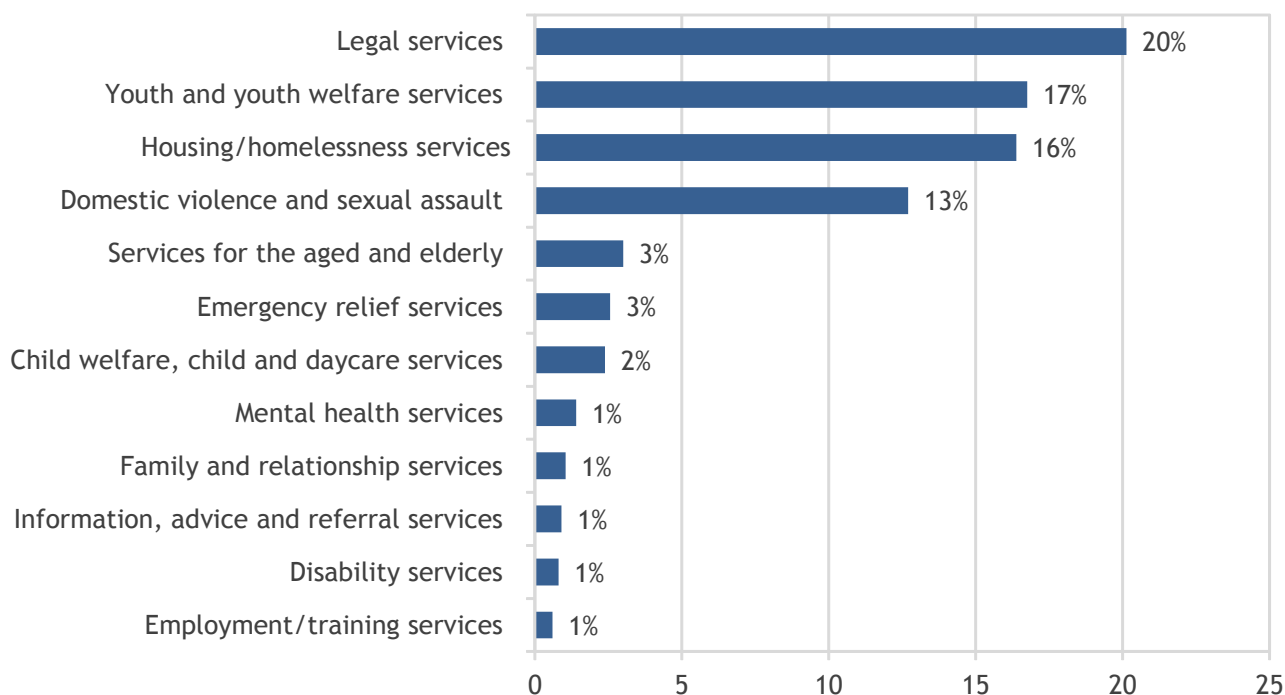
Another way to examine demand pressures faced by specific services is to measure turn-away rates, that is, the proportion of people in need of a service who are unable to access that service (see Appendix 1 for a description of the methodology employed). Turn-away is closely related to unmet need and is particularly important because it enables the identification of specific service areas with severe unmet demand and to track these over time.

Figure 7 shows that legal services (20%), youth and youth welfare services (17%), housing and homelessness services (16%) and domestic violence services (13%) reported the highest turn-away rates for 2011/12.

⁶ Only service types with a sample n>20 are reported in this section



Figure 7: Turn-away rates for 2011/12 by service type



Question: For the service area identified, please estimate the number of people to whom your organisation provided services in 2011/12 and **Question:** For this service, please estimate the number of times people who were eligible for this service were turned away from your service. **Note:** Turn-away rates are calculated as follows: total annual turn-aways divided by total annual people served (expressed as a percentage of total people served).

To improve the reliability of the data obtained, the survey also asked respondents about their perception of whether turn-away rates had changed from the previous year, specifically whether they had risen a lot, risen slightly, stayed about the same or decreased either slightly or a lot. Responses revealed that a majority of respondents from most service sub-sectors reported that turn-away rates had remained about the same as the previous year. Notable exceptions to this finding were emergency relief providers, financial support and housing/ homelessness services, a majority of which reported that turn-away rates had increased either slightly or a lot from the previous year.

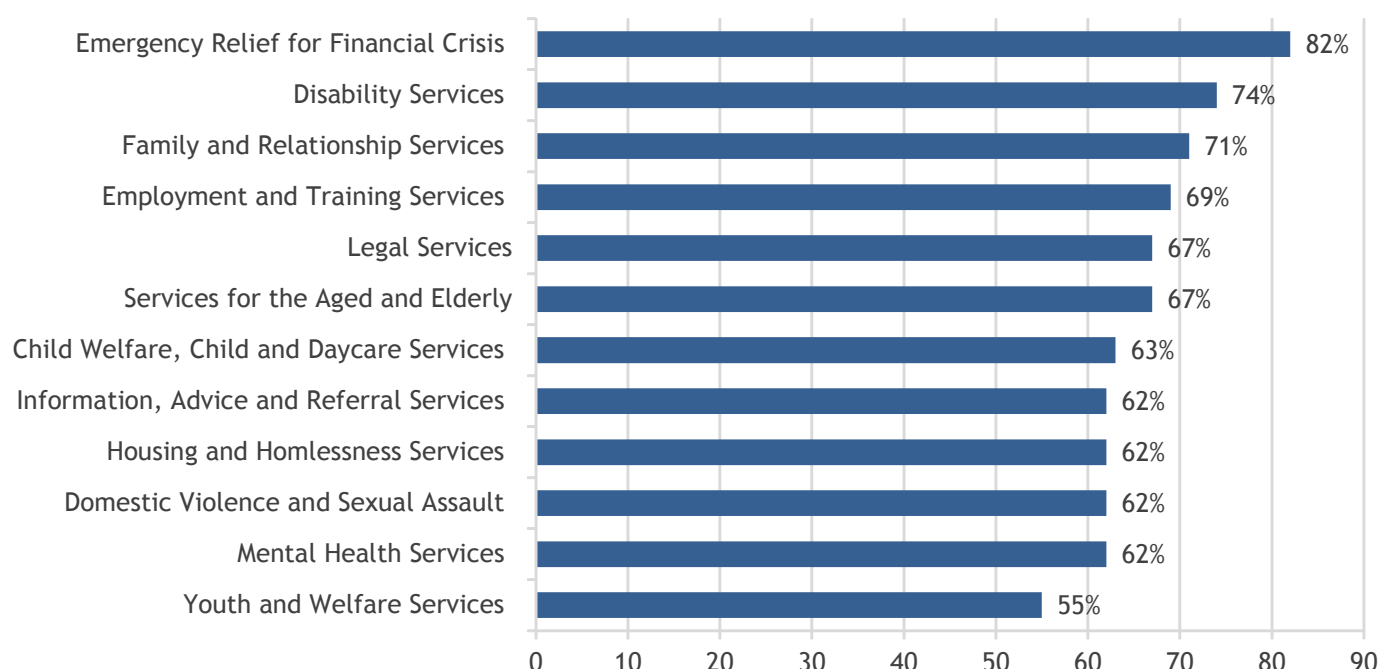
A comparison between the actual change in turn-away rates (%) and respondents' perceptions of change reveals that the majority accurately perceived that turn-away rates had remained stable relative to the previous year or had increased a little. Respondents from housing/homelessness services also correctly perceived that turn-away rates had increased from 2010/11, with the data revealing a 5% increase in turn-away rates from 2010/11 to 2011/12. Interestingly, respondents from youth services misperceived changes in turn-away rates. While the data revealed youth services experienced the highest increase in turn-away rates across all service types (7.6%), 50% of respondents perceived they had remained about the same from the previous year and only 15% reported they had increased a lot. Conversely, while over 36% of emergency relief providers perceived that turn-away rates had increased a lot; the data reveals a relatively small increase of 2.6%.



6.2 Underfunding of services

A majority of all services reported that the cost of delivering services exceeded revenue, with emergency relief providers (82%), disability services (74%) and family and relationship services (71%) most likely to disagree with the statement 'revenue for this service more than covered its costs' (Figure 8). Over the past three years, the ACSS has consistently identified underfunding of services by government and funding uncertainty as the most significant challenge facing the sector into the future (see pg. 39 of this report)⁷.

Figure 8: Services for which the cost of service delivery exceeds revenue



Question: 5-point scale measuring 'agree-disagree' responses to the statement 'Revenue for this service more than covered its costs' This graph shows the combined percentage of respondents who disagreed or strongly disagreed with the statement to provide a measure of income pressures across the sector. Only service categories with n>20 (for main service) are reported.

6.3. How are services responding to increased demand?

Organisations respond to the chronic underfunding of services in a range of ways to maximise their ability to meet clients' needs, including by reallocating resources from other areas, requiring staff and volunteers to work additional hours and targeting services more tightly or limiting access to services. However, not all services have other areas of their activities from which resources can be reallocated and so, despite very high demand, have not been able to respond this way. The gap between revenue for service delivery and demand for services can also result in increased waiting times for clients. This section examines the extent to which respondent organisations engaged in each of these

⁷ See also the ACSS reports for 2011 and 2012, which can be accessed via the ACOSS website: www.acoss.org.au



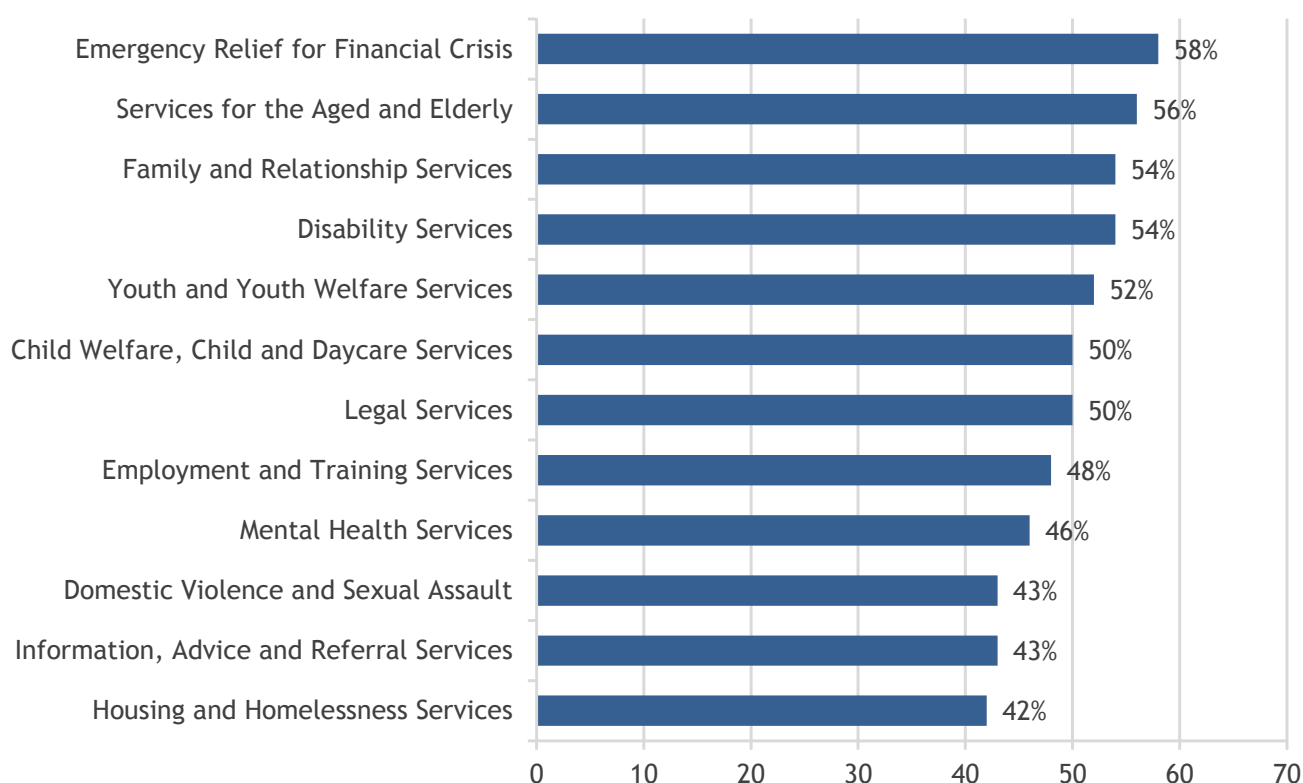
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activities in an attempt to manage the demand pressures faced by their services. Where relevant, it considers the impact of each of these activities on turn-aways and rates of unmet need within the sector.

6.3.1 Reallocating resources to meet demand

Financial support services and emergency relief providers were most likely to report reallocating resources to manage demand pressures.

Figure 9: Services reallocating resources to meet demand



Question: 5-point scale measuring 'agree-disagree' responses to the statement 'In order to meet demand, our organisation reallocated resources to this area'. This graph shows the combined percentage of respondents who disagreed or strongly disagreed with the statement to provide a measure of demand pressures across the sector. Only service categories with n>20 are reported.

Emergency relief providers were most likely to agree that they had reallocated resources from other areas to meet demand for services (**58%**).

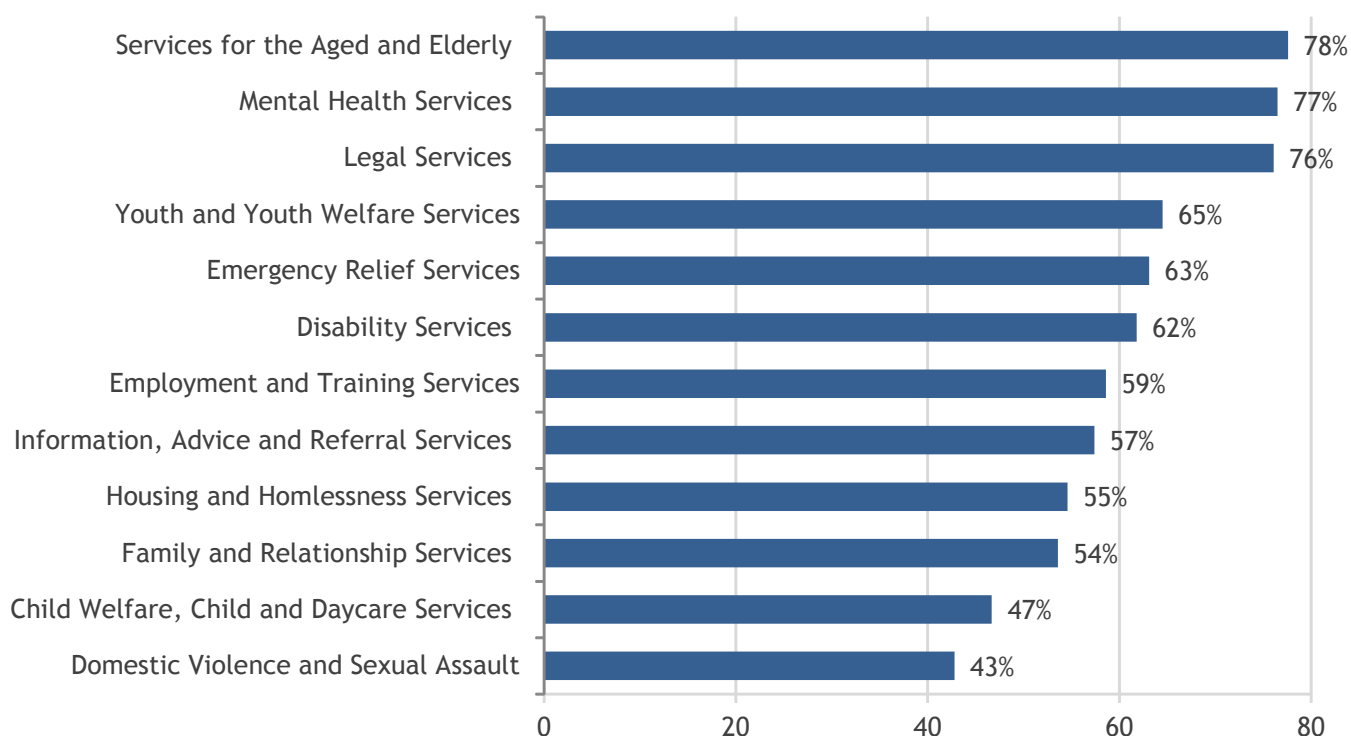
Closely followed by services for the **aged and elderly (56%)**, **disability services** and **family and relationship services (54% each)**



6.3.2. Requiring staff and volunteers to work more hours

A majority of service providers in most sub-sectors managed demand pressures by requesting staff or volunteers to work longer hours. Child welfare, child services and day care (47%) and domestic violence and sexual assault (43%) services were the only exceptions (Figure 10).

Figure 10: Services requiring staff/volunteers to work extra hours to meet demand



Question: 5-point scale measuring 'agree-disagree' responses to the statement 'To meet demand, we require staff and/or volunteers to work more hours' This graph shows the combined percentage of respondents who agreed or strongly agreed with the statement to provide a measure of demand pressures across the sector. Only service categories with n>20 are reported.

78% of aged care services required staff and volunteers to work more hours in order to meet demand.

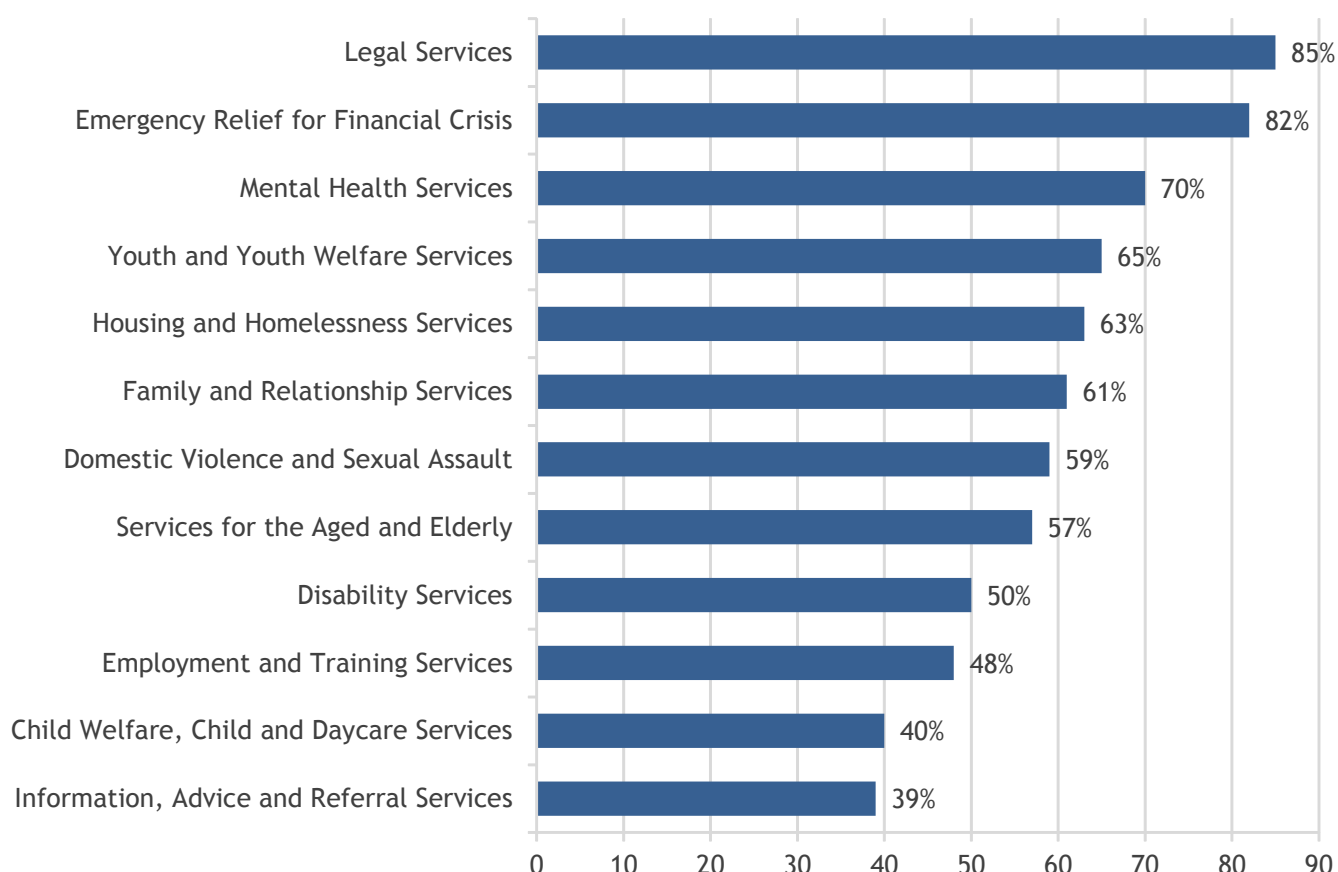
Most **mental health services (77%)** and **legal services (76%)** also responded to increases in demand by asking staff and volunteers to work longer.



6.3.3. Targeting services more tightly or limiting service levels

A high percentage of organisations across the sector reported targeting services more tightly or limiting service levels to reduce demand pressures, with legal services and emergency relief providers most likely to limit or further target services (Figure 11).

Figure 11: Services targeting assistance or limiting service levels to manage demand



Question: 5-point scale measuring 'agree-disagree' responses to the statement 'Because of demand, we targeted our services more tightly or limited service levels.' This graph shows the combined percentage of respondents who agreed or strongly agreed with the statement to provide a measure of income pressures across the sector. Only service categories with n>20 are reported.

Legal services (85%) were most likely to report targeting services more tightly or limiting services levels to meet demand.

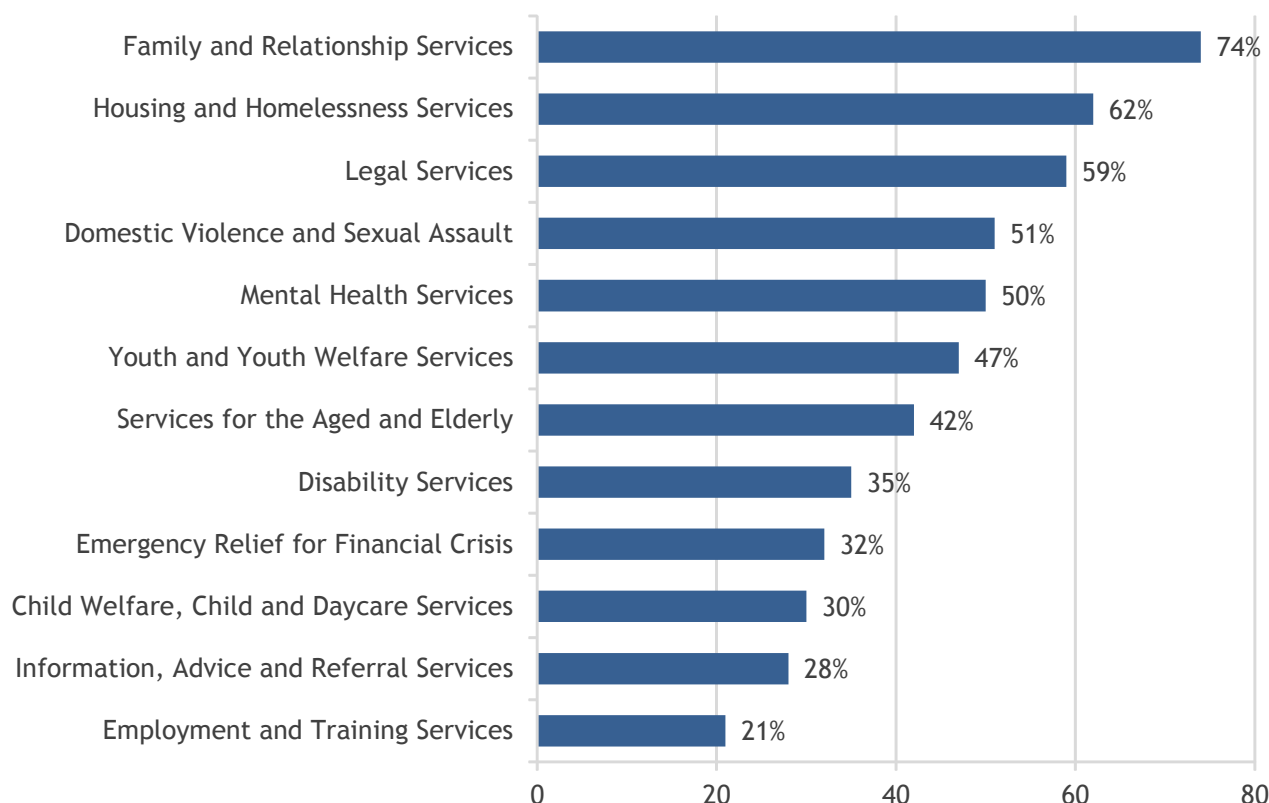
A large majority of **emergency relief providers (82%)** and **mental health services (70%)** also reported targeting services more tightly or limiting service levels to meet demand.



6.3.4. Increased waiting times

Over half of respondents from family and relationship, housing/homelessness, legal, domestic violence and sexual assault and mental health services reported that clients face increased waiting times to access services they need. A large number of youth and youth welfare (47%) and aged care services (42%) also reported increased waiting times for clients (Figure 12).

Figure 12: Services reporting increased waiting times for clients



Question: 5-point scale measuring 'agree-disagree' responses to the statement 'Waiting times increase for this service.' This graph shows the combined percentage of respondents who agreed or strongly agreed with the statement to provide a measure of income pressures across the sector. Only service categories with n>20 (for main service) are reported.

74% of family and relationship services reported increased waiting times for services.

Housing and homelessness service clients also faced higher waiting times (62%).



7. Service profiles

The data presented in sections five, six and seven of this report reveal high levels of pressure within specific sub-sectors of the community services sector. In particular, emergency relief providers, housing and homelessness services, youth and youth welfare services, legal services and mental health services featured prominently amongst services least able to meet demand and were also amongst those most likely to be identified by all respondents as services their clients most needed but were unable to access. In this section, each of these five service areas are profiled to explore the factors contributing to the extreme levels of pressure they are facing⁸.

7.1 Housing/homelessness services

7.1.2 Summary

MEASURE	%	RANK
Unable to meet demand (n=76)	66%	1st
Turn-away rate from services (n>58)	16%	3rd
Cost of delivering services exceeded revenue (n=77)	62%	Equal 8th
Reallocated resources to meet demand pressures (n=77)	42%	12th
Targeted services more tightly or limited service levels to manage demand pressures (n=76)	63%	5th
Increased waiting times (n=76)	62%	2nd
Staff and volunteers worked additional hours (n=76)	55%	9th
Services most needed by the sector's clients	61%(of all respondents)	1st
Top policy priorities for the sector's clients	61% (of all respondents)	1st

7.1.3 Analysis

Australia is in the midst of a housing crisis:

- Housing costs (for rent and purchase) are amongst the highest in the world⁹;
- One in 10 households are in housing stress¹⁰;
- There is a chronic housing supply shortage, including affordable housing¹¹; and
- Overall homelessness increased by 17% between 2006 and 2011 and Australia is unlikely to meet its target of halving homelessness by 2020¹².

⁸ The sample sizes (n=X) reported in these profiles reflects the numbers of people that responded to specific questions designed to gather data about specific service sub-sectors. As such, they are smaller than the total number of services in each sub-sector that completed the survey.

⁹ ACOSS (2012) *ACOSS Budget Priority Statement: recommendations for the 2012-13 Federal Budget*, http://acoss.org.au/images/uploads/2012-13_ACOSS_Budget_Priority_Statement_Final.pdf

¹⁰ Australians for Affordable Housing (2011) *Housing costs through the roof*, <http://housingstressed.org.au/wp-content/uploads/2011/10/Housing-costs-through-the-roof-Final-Report.pdf>

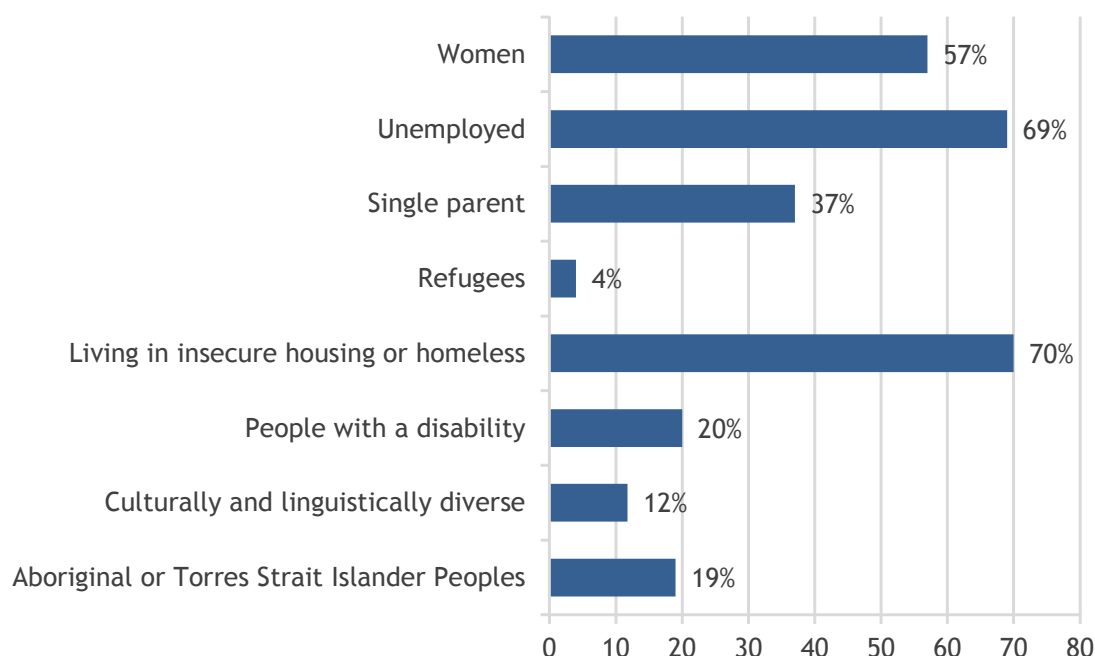
¹¹ National Housing Supply Council (2013) *Housing Affordability and Supply Issues 2012-13*, <http://nhsc.org.au/publications/housing-supply-and-affordability-issues-2012-13/executive-summary/>

¹² Council of Australian Governments (2013) *Homelessness 2011-12: Key Findings*, <http://www.coagreformcouncil.gov.au/sites/default/files/files/Homelessness%202011-12%20-%20Key%20findings.pdf>. This report found that while the numbers of people sleeping rough each night fell by 6% between 2006 and 2011, a significant increase in the numbers of people living in overcrowded, temporary and insecure housing, led to the overall increase in homelessness.



People living in poverty, on low incomes and experiencing other forms of disadvantage are most affected by Australia's housing crisis and are most at risk of living in insecure housing or falling into homelessness. For example, this survey found that 77% of the clients accessing housing/homelessness services were wholly reliant on income support. As shown in Figure 13, 69% were unemployed, 37% were single parents and 19% were Aboriginal and Torres Strait Islander. These findings support those of the Australian Institute of Health and Welfare's (AIHW) National Housing Survey 2013, which found that three-quarters of all social and community housing tenants did not participate in the labour market¹³. New groups of people such as recently arrived migrants and refugees are also at high risk of living in over-crowded, insecure housing and influence demand for housing/homelessness services.

Figure 13: Client demographics for housing/homelessness services



Housing affordability and a chronic housing shortage (both affordable and otherwise) in Australia is a critical factor driving both the increase in homelessness and the increased demand for housing/homelessness services, with exit points out of homelessness services effectively clogged. For example, Anglicare Australia's Rental Affordability Snapshot 2013 clearly demonstrates that income support payments (taking into account Commonwealth Rent Assistance) and the minimum wage are insufficient to cover costs in the Australian rental market with only 1% of the 56,414 properties surveyed across the country found to be affordable for people on low incomes¹⁴. Similarly the National Housing Supply Council (2013) found that while housing stock increased in 2012-13, the ongoing housing shortage 'is likely to continue to be felt by the more vulnerable in our population, such as would-be buyers with low and insecure incomes, those at the lower end of the

¹³ AIHW (2013) *National Social Housing Survey: A summary of national results 2012*, <http://www.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=60129543382>

¹⁴ Anglicare Australia (2013) *Rental Affordability Snapshot 2013*, http://www.anglicare.asn.au/site/rental_affordability_snapshot.php



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rental market and those dependent on government income support payments¹⁵. While community-based social housing providers assist people on low incomes to secure and sustain affordable housing over the long-term, homelessness services provide a range of interventions to people experiencing – or at imminent risk of – homelessness: early intervention, brokerage, case management and crisis and short to medium term accommodation. A breakdown of survey respondents providing housing/homelessness services by specific service type, as well as an examination of client age profiles (29% aged 15-24 years; 48% aged 25-64 years) and the percentage of clients accessing services who live in insecure housing (70%), suggests the majority provided homelessness services rather than social or community housing¹⁶.

This over-representation of homelessness services may explain the high proportion of services that reported targeting services more tightly or limiting service levels to meet demand as homeless services are rarely able to respond to an underlying need for secure housing and are often forced to target other interventions to those at the most extreme risk. However, the extremely high turn-away rate reported is likely to be common to both types of service. For example, since 2011 daily client turn-away rates in excess of 50% have been reported through the AIHW's Specialist Homelessness Services collection¹⁷, which lends further support to the picture of services struggling to meet client demand, rationing of services and use of volunteers and others in core service provision.

Similarly, long-term housing providers can generally only offer a place on extremely long waiting lists and, according to the AIHW, 83% of the 136,818 unmet requests for assistance made to homelessness services in 2012 were for accommodation support. While larger service providers may be able to reallocate resources from other services areas to meet demand for housing, smaller organisations are unlikely to be able to do so, which may explain the relatively low number of respondents (42%) that reported doing so, and the extremely high number of respondents that reported being unable to meet demand (66%) and that the cost of service delivery exceeded revenue (62%).

In its 2011-12 Budget Priority Statement ACOSS called for the establishment of a National Affordable Housing Growth Fund to support Affordable Housing Programs providing a range of different levels of subsidy to meet the needs of households with different income levels¹⁸. It is also critical that the Council of Australian Governments (COAG) ensures that a long-term National Partnership Agreement on Homelessness is negotiated to replace the current transitional agreement for 2013-14 if we are serious about reducing homelessness in Australia.

¹⁵ National Housing Supply Council (2013) *Housing Affordability and Supply Issues 2012-13*, <http://nhsc.org.au/publications/housing-supply-and-affordability-issues-2012-13/executive-summary/>

¹⁶ Although at least a quarter of respondents were long-term providers

¹⁷ See for example: AIHW (2012) *Government-funded specialist homelessness services 2011-12*, pg. 86, <http://www.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=60129542529>

¹⁸ ACOSS (2011) *ACOSS Budget Priority Statement: recommendations for the Federal Budget 2011-12*, http://acoss.org.au/images/uploads/ACOSS_-_Budget_Submission_2011-_12_FINAL.pdf



7.2 Emergency relief

7.2.1 Summary

MEASURE	%	RANK
Unable to meet demand (n=35)	47%	4th
Turn-away rate from services (n=35)	3%	6th
Cost of delivering services exceeded revenue (n=38)	82%	1st
Reallocated resources to meet demand pressures (n=38)	58%	1st
Targeted services more tightly or limited service levels to manage demand pressures (n=38)	82%	2nd
Increased waiting times (n=38)	32%	9th
Staff and volunteers to work additional hours (n=38)	63%	5th
Services most needed by the sector's clients	43% (of all respondents)	3rd

7.2.2 Analysis

Emergency relief (ER) services provide financial or material assistance to people in financial crisis. ER was designed to help people through 'one-off' episodes of financial hardship, such as losing their job. However increasingly it is being used by people with a range of complex needs to supplement inadequate income and as a regular response to ongoing financial disadvantage and poverty. An examination of the client demographics reported by survey respondents supports this thesis. In 2011/12 75% were wholly reliant on income support. As shown in Figure 14, 63% of ER clients were unemployed, 42% were single parents and 26% had a disability. These findings are supported by recently released research by the Salvation Army (2013), which found that 90% of clients accessing its 237 ER outlets across the country were reliant on income support; and 33% were single parents. 79% were without paid work and 95% of those who had paid work were engaged on a casual, temporary or part-time basis or were under-employed¹⁹.

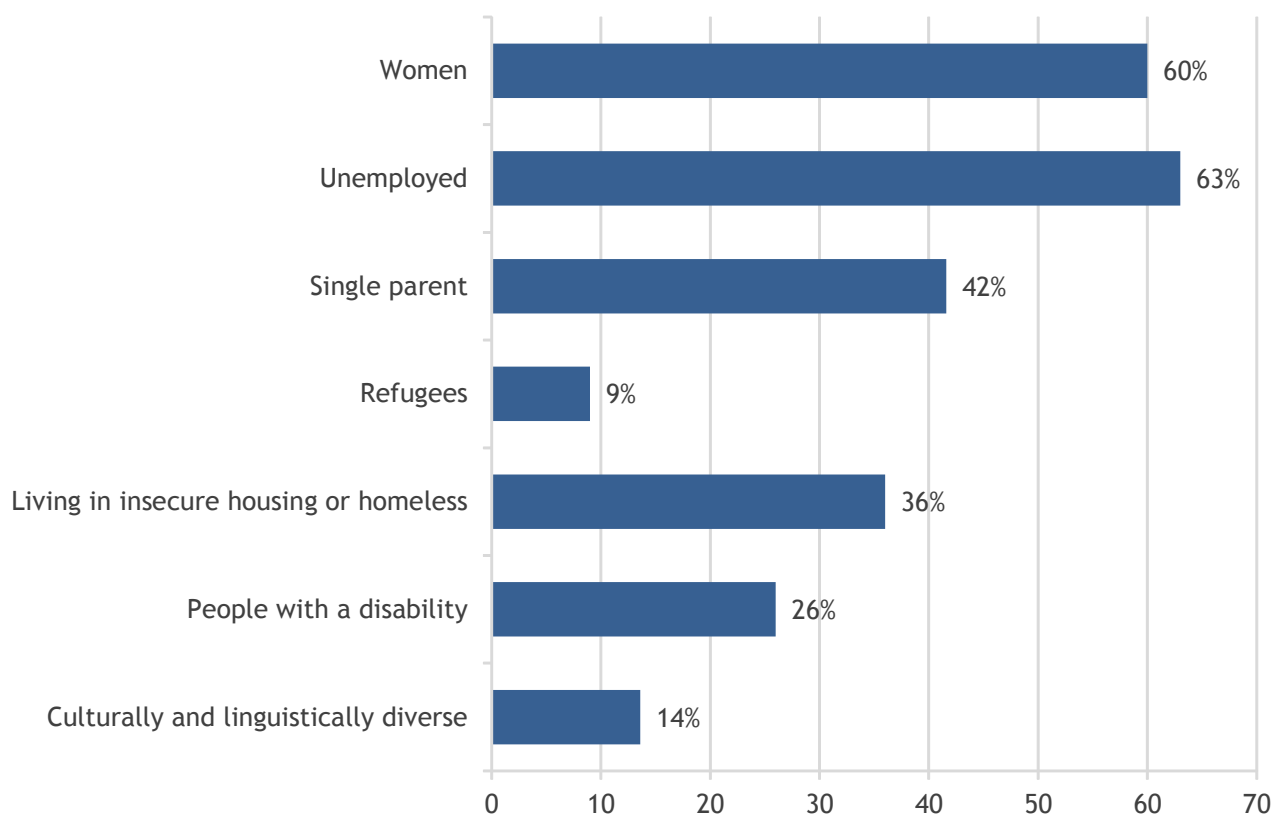
There is evidence that in addition to reliance on income support and single parenthood, two factors are driving demand for ER: the housing crisis; and the influx of asylum seekers into the community who are unable to work or to access income support payments. For example, a survey of ER providers in Victoria found that over half of all clients presented with a housing issue²⁰. Government funding cuts to public housing and the failure of housing supply to keep pace with demand, particularly in population growth corridors, have exacerbated these pressures on ER, which has become the 'last safety net' for people who cannot get their needs met elsewhere.

¹⁹ Salvation Army (2013) *It's not asking too much... National economic and social impact survey*, <http://www.salvationarmy.org.au/Global/ESIS2013/The%20Salvation%20Army%20ESIS%20Report%202013.pdf>

²⁰ ER Victoria (2012) *'The last safety net': Housing issues in the emergency relief sector*, <http://www.cisvic.org.au/uploadedFiles/1352746666900-8803.pdf>



Figure 14: Client demographics for ER providers

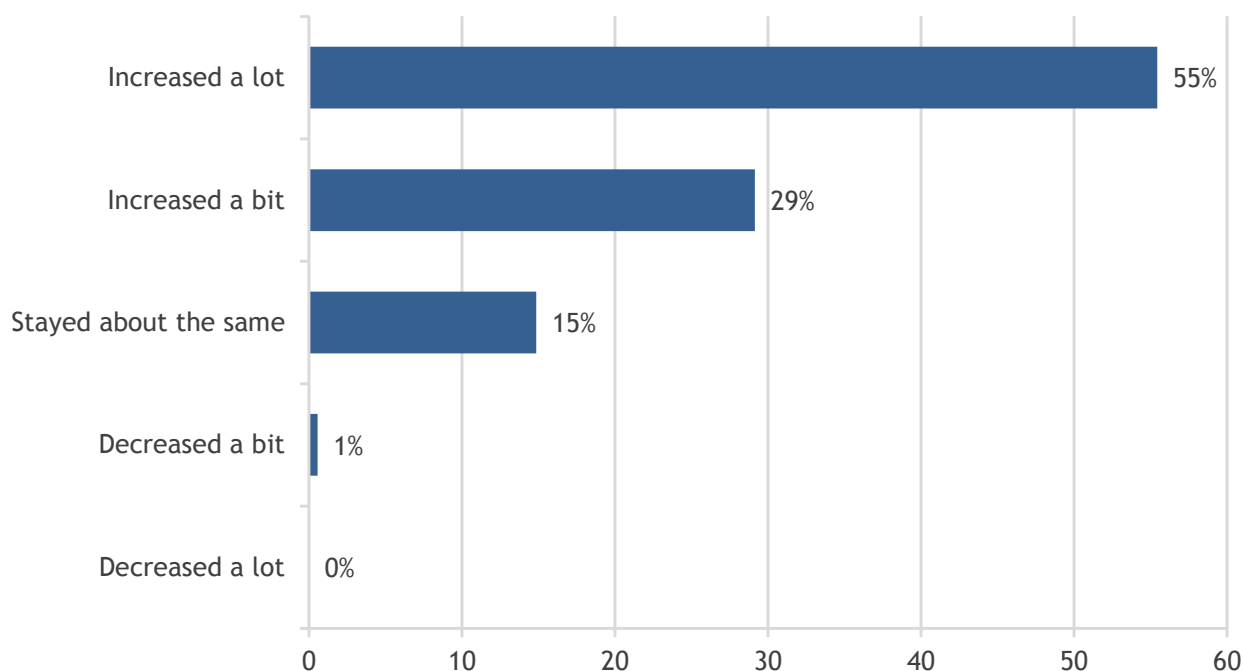


In the case of asylum seekers, continuing inadequacies in the policy framework have seen asylum seekers residing in the community without access to adequate housing, income or essential supports. In particular, large numbers of asylum seekers are released into the community without the right to work. ER providers are left to pick up the pieces, providing support that has become essential for many facing these circumstances. Yet Federal government funding for ER is allocated according to Centrelink data about the numbers of income support recipients in the service area. Because asylum seekers are ineligible for mainstream income support payments, they are not captured in this official data, leaving ER providers unfunded to meet their needs. The ACSS reflected this experience, with refugees and asylum seekers accounting for 9% of ER clients, substantially more than any other service type reported on. Furthermore, services reported that 36% were living in insecure housing or homeless.

Increasing energy hardship is also driving the increase in demand for ER, with over 80% of providers agreeing that demand for assistance paying electricity bills increased either a lot (55%) or a little (29%) in 2011/12 (Figure 15). Simply, the cost of energy is unaffordable for many people on low incomes and they are turning to financial counsellors and ER providers in greater numbers for assistance. Anecdotal evidence suggests that, while assisting people in energy hardship has traditionally been the remit of financial counselling services, as demand increases and waiting lists lengthen, ER services have taken a greater role by providing small assistance payments and engaging with utility hardship schemes so that financial counsellors can focus on more complex cases.



Figure 15: Demand for assistance paying energy bills



Question: Compared with 2010/11, would you say that the number of clients in 2011/12 needing assistance because of difficulties paying electricity bills has...increased a lot, increased a bit, stayed about the same, decreased a bit or decreased a lot?

One of the most interesting findings from the 2011/12 ACSS is that while large numbers of ER providers report struggling to meet client need and reallocating resources, asking staff and volunteers to work more hours and targeting services more tightly or limiting service levels to manage demand pressures, the reported turn-away rate was low compared with other high need services such as housing/homelessness and legal services.

A number of factors may explain this apparent contradiction. One trend identified in the Victorian context is that, as demand for services increases and clients' needs become more complex, some ER providers are restricting assistance to types for which they have strong and functional infrastructure such as food aid. With stronger volunteer networks, food hubs and support from Foodbank, many ER providers can effectively and efficiently distribute large volumes of food aid, enabling clients to use their extremely limited incomes to meet other essential costs. However, while the majority of clients presenting for assistance may receive a food package and thus a service, this might be masking the true extent and complexity of their needs. Similarly, the increasing use of case management models and referrals in ER work may also be masking the range and complexity of entrenched issues clients are presenting to services with. Moreover, if ER is stretched in present economic conditions, an economic downturn might result in severe pressures on the sector.



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7.3 Legal services

7.3.1 Summary

MEASURE	%	RANK
Unable to meet demand (n=46)	63%	2nd
Turn-away rate from services (n>35)	20%	1st
Cost of delivering services exceeded revenue (n=46)	67%	Equal 5th
Reallocated resources to meet demand pressures (n=46)	50%	6th
Targeted services more tightly or limited service levels to manage demand pressures (n=46)	85%	1st
Increased waiting times (n=46)	59%	3rd
Staff and volunteers to work additional hours (n=46)	76%	3rd
Services most needed by the sector's clients	26% (of all respondents)	14th
Top policy priorities for the sector's clients	12% (of all respondents)	8th

7.3.2 Analysis

Legal services comprise community legal services, Family Violence and Prevention Legal Services and the Aboriginal and Torres Strait Islander Legal Services. These services provide free legal assistance to people experiencing poverty and other forms of disadvantage, who would otherwise be denied access to the justice system. For example, ACSS respondents reported that in 2011/12 47% of community legal services' clients were wholly reliant on income support. As shown in Figure 16, 33% were unemployed, 34% were single parents, 21% were from culturally and linguistically diverse communities and 17% were living in insecure housing or homeless. These findings are borne out by the NSW Law and Justice Foundation's Australia-wide survey of legal need, which also found that these demographic groups were more likely to access community legal services than others in the community²¹.

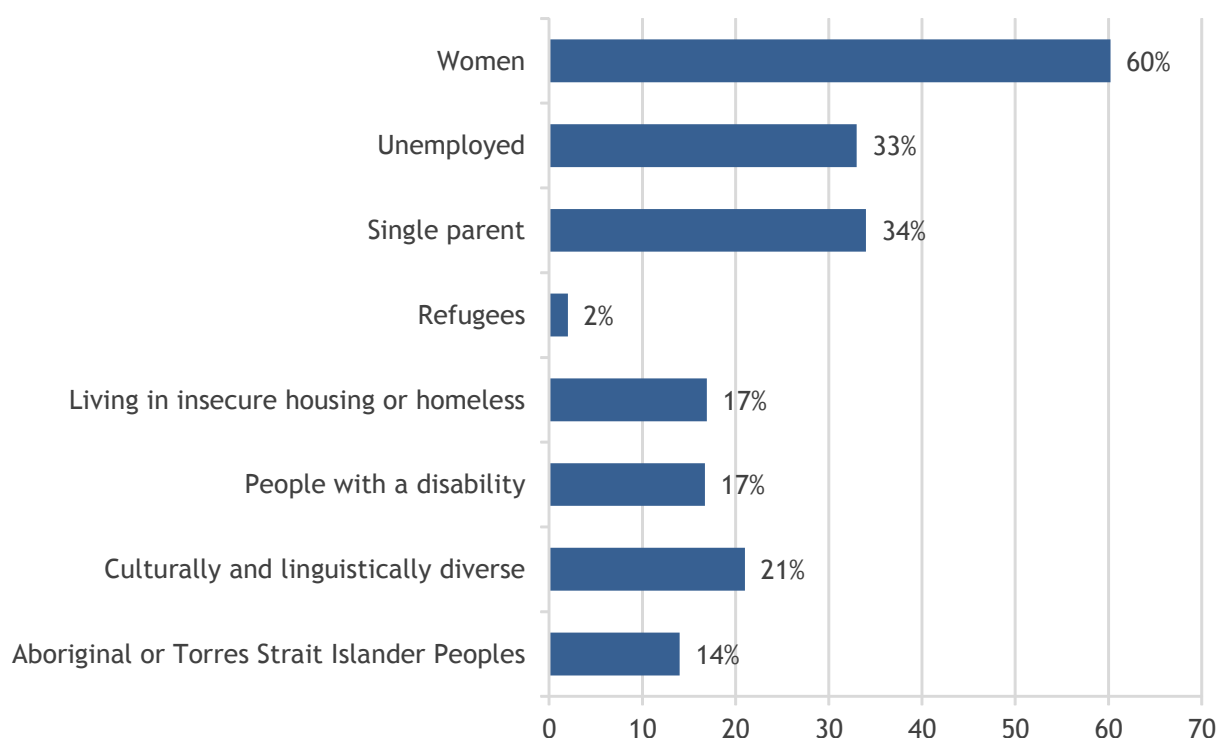
In 2011/12, legal services reported the highest turn-away rate of all service types included in the ACSS, with one in five clients in need of assistance turned away. Unsurprisingly, legal services also ranked second on inability to meet demand. The most commonly reported response to this inability to meet demand was to target service more tightly or to limit service levels. In practice, this might mean that a client who requests legal representation instead receives legal advice, or instead of receiving legal advice is referred to a private or pro bono solicitor. Indeed, with the system at 'crisis point' people who cannot afford a lawyer are missing out on access to justice²². This is because community legal centres are often the last option for people needing legal assistance who cannot afford to pay; and for those turned away, there is often nowhere else to go. Similarly, for people at immediate risk of family violence, eviction or being unfairly dismissed, increased waiting times undermines their capacity to seek professional legal help at all.

²¹ NSW Law and Justice Foundation (2012) *Legal Australia-Wide Survey: Legal need in Australia*, [http://www.lawfoundation.net.au/ljf/site/templates/LAW_AUS/\\$file/LAW_Survey_Australia.pdf](http://www.lawfoundation.net.au/ljf/site/templates/LAW_AUS/$file/LAW_Survey_Australia.pdf), pg. 66

²² Community Law Australia (2012) *Unaffordable and out of reach: the problem of access to the Australian legal system*, http://www.communitylawaustralia.org.au/wp-content/uploads/2012/07/CLS_Report_Final.pdf



Figure 16: Client demographics for legal services



Legal services also rely heavily on volunteer support to meet demand for services, with a recent report showing that 95.2% utilise volunteers and that 3,637 volunteers work a total of 8,369 hours per week. In addition, the report found that 89.2% of services used volunteers to provide direct legal services to clients and that paid employees spent 1,071 hours per week supervising volunteers²³. Hence, while legal services derive significant benefit from volunteers, significant time and resources are spent training and supervising volunteers to meet demand.

These findings suggest that the funding increases for legal services called for by the Community Law Australia (CLA) campaign are critical. CLA has been advocating for a universal safety net for legal help. In a move welcomed by the community services sector, the 2013-14 Federal Budget included a significant funding increase for community legal services, Aboriginal and Torres Strait Islander Legal Service and Legal Aid. In June 2013, the Federal government also announced that the Productivity Commission has been funded to examine access to justice in Australia, with a specific focus on access to justice for people on low incomes and those experiencing other forms of disadvantage²⁴.

²³ National Association of Community Legal Centres (2012) *Working collaboratively: community legal centres and volunteers*, http://www.nacclc.org.au/resources/NACLC_VOLUNTEERS_web.pdf

²⁴ Australian Government Productivity Commission (2013) *Access to Justice: Terms of Reference*, <http://www.pc.gov.au/projects/inquiry/access-justice>



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7.4 Youth and youth welfare services

7.4.1 Summary

MEASURE	%	RANK
Unable to meet demand (n=31)	52%	3rd
Turn-away rate from services (n>28)	17%	2nd
Cost of delivering services exceeded revenue (n=31)	55%	9th
Reallocated resources to meet demand pressures (n=31)	52%	4th
Targeted services more tightly or limited service levels to manage demand pressures (n=31)	65%	4th
Increased waiting times (n=30)	47%	6th
Staff and volunteers worked additional hours (n=31)	65%	4th

7.4.2 Analysis

According to the Australian Youth Affairs Coalition (AYAC), youth work is the practice that has young people as its primary constituents. It is relational and works alongside young people in their context. Youth work facilitates young people's agency, and the realisation of their rights, as well as their connection to those who matter to them²⁵. A recent survey of over 1500 youth workers conducted by AYAC reveals that the types of issues with which young people most regularly present to youth services include education, mental health, behaviour management, income support/social security, drugs, housing/homelessness and alcohol issues²⁶. As revealed by the ACSS data (Figure 17), young people who were unemployed (47%), living in insecure housing or were homeless (36%) were over-represented in the client groups accessing youth services, as were Aboriginal and Torres Strait Islander young people (26%).

While demand for youth services did not change significantly in 2011, it remained high²⁷. At the same time, changes in government funding models have resulted in a move away from 'generalist' youth services towards specialist models of service delivery. For example, the focus on youth mental health and early intervention for people under 18 years of age in recent years has seen increased funding directed towards specialist youth services in these areas, with flow-on impacts for other parts of the sub-sector²⁸. This shift in the way youth services are funded, combined with service funding cuts and overall funding shortages, may explain both the extremely high turn-away rate from services (17%) and the high percentage of respondents that reported targeting their services more tightly or limiting service levels in order to meet demand. For example, whereas a 'generalist' youth worker might respond to any number of issues a client presents with, workers in specialist services might only be able to assist the young person with a single service, such as streamlining them into an employment pathways program.

²⁵ To date, there has been no agreed definition of youth work. The definition presented here is a working draft that is being developed by AYAC in consultation with the Australian youth and youth services sector

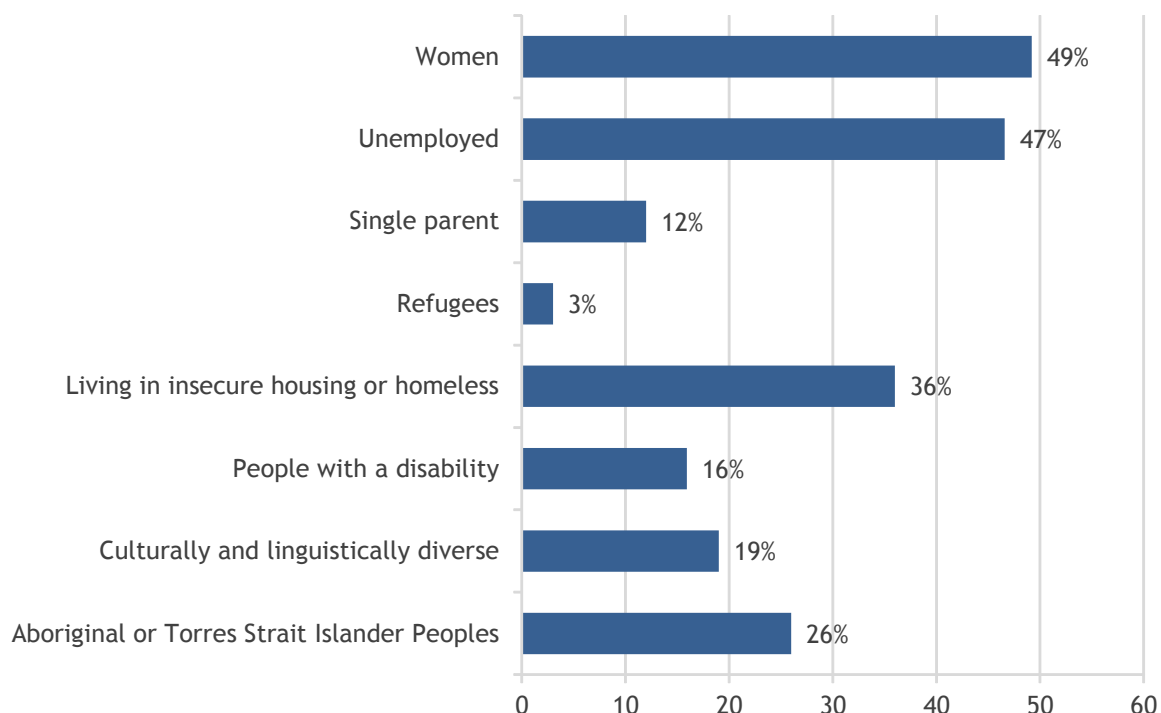
²⁶ AYAC (2013) *AYAC National Snapshot of Youth Work 2013*, <http://www.ayac.org.au/projects/AYACsnapshot2013.html>

²⁷ AYAC (2011) *Australian Youth Affairs Coalition submission in response to Community Services and Health Industry Skills Council Environmental Scan 2012*, <http://www.ayac.org.au/uploads/AYAC%20Submission%20to%20E-Scan%202012%20-%20Final.pdf>

²⁸ *Ibid*



Figure 17: Client demographics for youth and youth welfare services



An *Environmental Scan* of the youth sector conducted by AYAC in 2011 reveals that funding shortages have also resulted in staffing shortages, with a reduction in full-time positions across youth services in most states and territories²⁹. Chronic staffing shortages exist in regional, rural and remote areas, particularly remote Aboriginal communities, where many services are provided on a ‘fly in-fly-out’ basis; and the sector is facing extreme difficulties attracting and retaining an adequately skilled workforce³⁰. As such it is unsurprising that 65% of the youth services in the ACSS sample required staff and volunteers to work longer hours to meet demand for services.

²⁹ *Ibid*

³⁰ *Ibid*



7.5 Mental health services

7.5.1 Summary

MEASURE	%	RANK
Unable to meet demand (n=34)	47%	Equal 4th
Turn-away rate from services (n>29)	1%	8th
Cost of delivering services exceeded revenue (n=34)	62%	Equal 8th
Reallocated resources to meet demand pressures (n=33)	46%	9th
Targeted services more tightly or limited service levels (n=33)	70%	3rd
Increased waiting times (n=32)	50%	5th
Staff and volunteers worked additional hours (n=34)	77%	2nd
Services most needed by the sector's clients	57% (of all respondents)	2nd
Top policy priorities for the sector's clients	34% (of all respondents)	3rd

7.5.2 Analysis

Non-government, community mental health centres provide community-based service alternatives to clinical, hospital-based facilities. They focus on early intervention, prevention and supporting social inclusion by addressing the links between a person's social circumstances – including access to community, family, housing, employment and education – and their physical and mental health³¹. Despite clear evidence that holistic, community-based programs such as the Housing Accommodation Support Initiative (HASI) are successful in supporting people with mental illness to stay well and thrive in their communities, funding for mental health services remains low and focussed on hospital-based, acute care. For example in 2010, mental illness accounted for 14% of the health burden in NSW, but only 8% of health funding. In addition, a 2006 national survey of clinical service directors revealed that 43% of all patients with a mental illness being cared for in hospitals could be receiving more appropriate care in community settings³².

One result of the lack of funding for community mental health services is that particular groups of clients with high levels of need become disengaged from the mental health system, often with catastrophic consequences. For example, while Aboriginal people in NSW are more than twice as likely to report high or very high levels of psychological distress than non-Aboriginal people, they remain under-represented in mainstream health services. Similarly, up to 25% of people aged 15 to 25 – whose need for mental health services is greatest – have the lowest access to care, with only 13% of young men with a mental illness accessing the services they need. The system's response to asylum seekers and refugees, many of whom are overcoming torture and trauma and facing the challenges of starting life in a new country, is also inadequate³³.

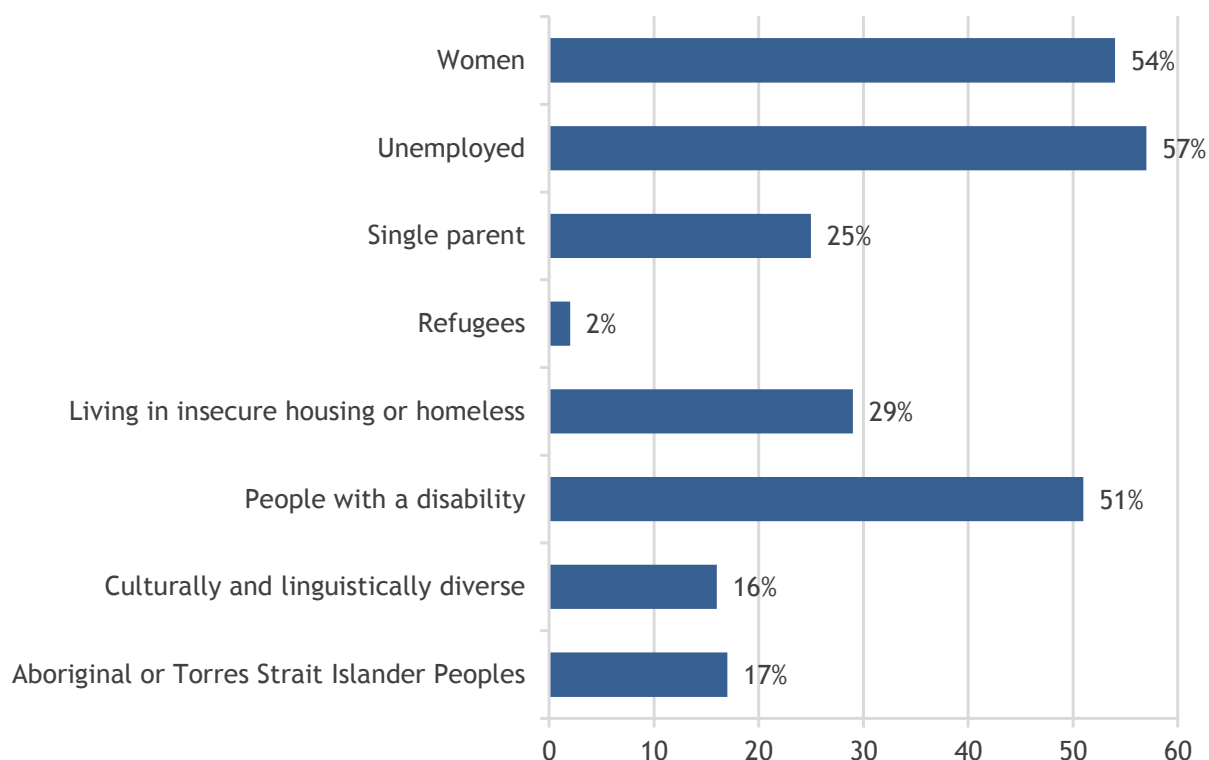
³¹ NSW Mental Health Commission (2013) *Living well in the community: towards a strategic plan for mental health in NSW*, <http://www.nswmentalhealthcommission.com.au/assets/File/Living%20Well%20in%20Our%20Community%20-%20FINAL%2020130523.pdf>

³² *Ibid*

³³ *Ibid*



Figure 18: Client demographics for community mental health services



Anecdotal evidence from community mental health services confirms this survey's findings that demand pressures on services are very high and suggests that as a result of the acute lack of resources for community-based prevention and early intervention services – particularly in regional and remote areas where alternatives to hospital-based care are virtually non-existent – clients are not able to access the full range of services they need. Indeed, community-based mental health services report having little capacity to offer early intervention, prevention or community-based mental health services, with most of their resources diverted to crisis response due to the large numbers of clients presenting in acute crisis.

Given the lack of resources within the mental health sector for community-based care and the diversion of resources to crisis response, it is surprising that only 70% of services reported targeting services more tightly or limiting service levels. Similarly, the turn-away rate from services (1.4%) seems very low. One explanation for this mismatch between inability to meet demand for services and turn-away rates is that mental health services tend to be reluctant to turn people away, particularly if there is a high risk of self-harm or harm to others present. Explanations for the low turn-away rate include the use of referrals and waiting lists to manage demand for services. For example, where a service does not have capacity to assist someone in acute crisis, they will regularly refer that person to a crisis line such as Lifeline or to the local hospital Emergency Department. Thus, while the service provider has not been able to meet the client's need directly, they are not counted as having been turned away without assistance. Another explanation may be found in the responses of 70% of services surveyed that reported requiring staff and volunteers to work additional hours to meet demand as an alternative to turning away clients



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in need. Finally, use of waiting lists may also be masking the true turn-away rate as people placed on waiting lists are not getting the services they need when they need them, but may not be being counted among the turn-away statistics either.

The 2011/12 Federal Budget committed \$2.2 billion to mental health services through the National Mental Health Reform Package, which focussed on improving coordination of mental health services, strengthening primary mental health care services, expanding access to allied psychological support and increasing overall the number of community mental health services across the country, particularly through establishing 30 Headspace centres, 12 Early Psychosis Prevention and Intervention Centres (EPPIC) and 40 Family Mental Health Support Services³⁴. Despite overwhelming support for the package, concerns remain about delays to the roll-out of funding and program implementation; and whether the full extent of promised funding will be delivered. For example, at the time of writing (over 2 years since the package was first announced) only 60% of the services outlined had been implemented, with tenders for the Partners in Recovery Program announced in the first half of 2013 and only nine EPPICs established.

³⁴ ACOSS (2011) *ACOSS Federal Budget: Analysis of health measures*, http://acoss.org.au/images/uploads/NCOSS_Analysis_2011_Federal_Budget_FINAL_18_05_11_2.pdf

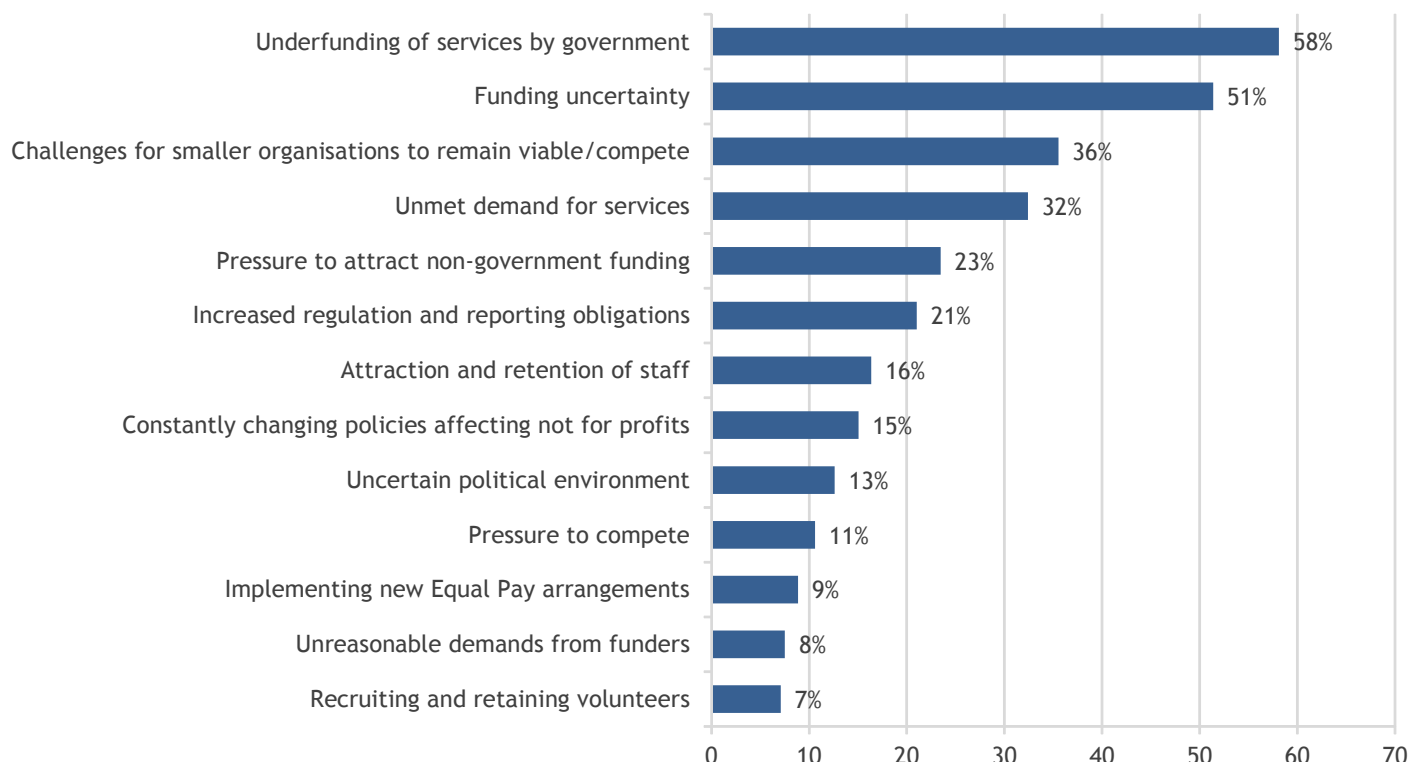


8. Issues facing the sector

8.1 Future pressures on the sector

Underfunding of services by government, funding uncertainty, and challenges for smaller organisations to remain viable and compete with larger organisations for funding contracts lead the list of future stresses on the sector (Figure 19).

Figure 19: Most significant issues facing the sector



Question: Here is a list of issues facing the sector. Please tell us which of the following you think is the top issue facing the sector as a whole. And the second? And the third? (Responses are total mentions expressed as percentage of respondents).

Funding was the most mentioned issue...

... followed by challenges for smaller organisations to remain viable.

Underfunding (58%) and funding uncertainty (51%) top the mentions of issues facing the sector.

Closely related, pressures on **small service providers** and unmet demand for services ranked **3rd (36%)** and **4th (32%)**.



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8.2 Opinions about sector-wide reforms

Respondents overwhelmingly agreed that the equal pay decision handed down by Fair Work Australia in 2012 was a good thing for the sector (90%), but 73% believed its 8 year implementation was too slow (Figure 20)³⁵.

Figure 20: Opinions about sector-wide reforms

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
It is a better idea to fund clients directly than to fund services	4%	16%	26%	33%	21%
Good service providers have nothing to fear from direct client funding	11%	29%	20%	29%	11%
A national non profit regulator is a good thing for the sector	16%	47%	31%	5%	2%
Overall the equal pay decision is a good thing for the sector	42%	48%	8%	1%	1%
Implementing equal pay over 8 years is too slow	37%	36%	18%	7%	1%
Increased competition has delivered better services for clients	32%	14%	32%	39%	12%
NPFs should have to prove that they are making a positive impact	16%	55%	16%	1%	2%

Question: Please tell us how much you agree or disagree with the following statements. Rows sum to <100% due to non-response.

Strong support for proof of impact

71% supported all for not-for-profits to prove their postive impact.

Call for sector regulation

63% support the implementation of a national not-for-profit regulator for the sector.

Ambivalence about direct client funding

40% agreed good service providers have **nothing to fear** from direct client funding, while **40%** disagreed.

54% believed it was **better to fund services than to fund clients directly**.

...and the impact of competition on service delivery.

46% agreed increased competition would lead to better services and **51%** disagreed.

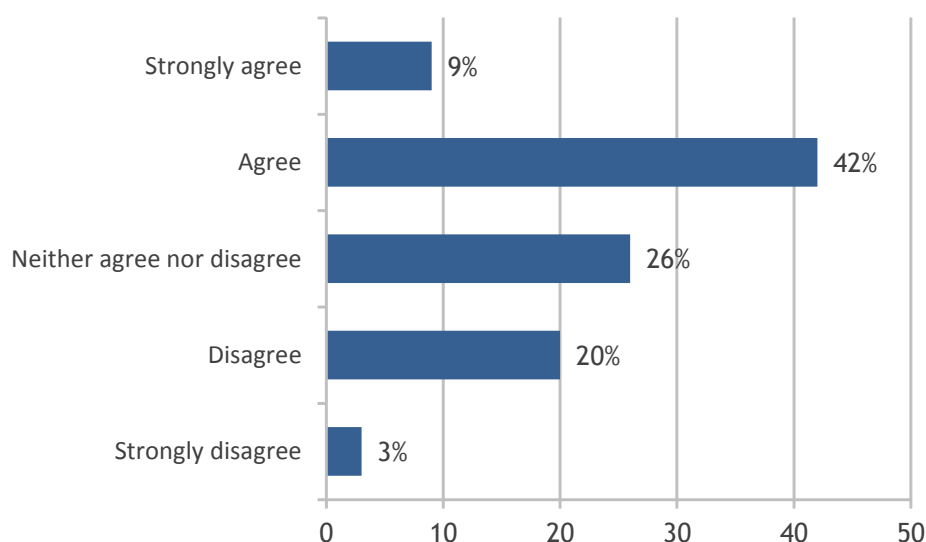
³⁵ While services were asked about the period 2011/12, in this section they were likely to be as influenced by events taking place at the time of completing the survey (March-June 2013), as responses here indicate.



8.3 Understanding the ACNC

51% of respondents were clear about the ACNC's role and how its operations would affect their organisation. 23% did not understand how the ACNC would affect their organisation (Figure 21)³⁶.

Figure 21: Do services understand the role of the ACNC?



Question: Please tell us how much you agree or disagree with the following statement, 'My organisation understands how the ACNC will affect it'.

8.3.1 Does size influence understanding of the ACNC's role amongst services?

While **34%** of respondents from organisations with total annual revenue of less than \$250,000 reported understanding the role of the ACNC, **an equal percentage** of respondents were unsure about the ACNC's impact on their organisations.

The larger the total annual revenue of the organisation, the higher respondents' knowledge about the role of the ACNC:

Less than \$250,000: **34%**
 \$251,000 - \$999,999: **41%**
 \$1,000,00- \$4,999,999: **61%**
 \$5,000,00- \$19,999,999: **66%**
 More than \$20,000,000: **75%**

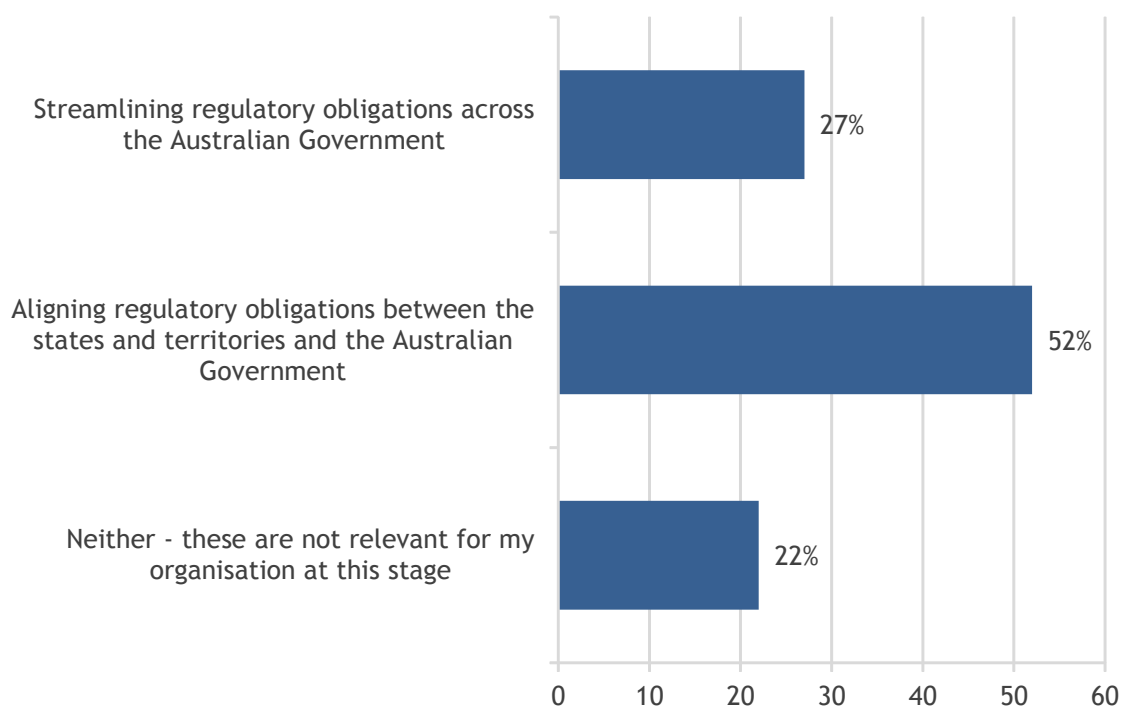
³⁶ It is important to note that the 2013 ACSS was assessing services' knowledge of the ACNC's role for the period 2011/12, when the legislation governing the creation and operation of the Commission was still being drafted and considered and prior to its formal establishment.



8.4 What aspect of the ACNC's role is most important to organisations?

52% of respondents reported that the alignment between State and Territory regulatory obligations and those of the Australian Government was most important to their organisation. The streamlining of regulatory obligations across the Australian Government was reported as most important by 27% of respondents (Figure 22).

Figure 22: Respondents' priorities for regulatory reform



Question: The ACNC is responsible for reducing unnecessary regulatory burdens on charities and other not-for-profits. To help the ACNC direct its efforts, which of the following would make the most difference to your organisation?

8.4.1 Does size influence services' priorities for regulatory reform?

Overall, **52%** felt ACNC should prioritise the alignment of State and Territory regulatory obligations with those of the Australian Government.

However, **larger organisations expressed a stronger preference for this option** than smaller organisations.

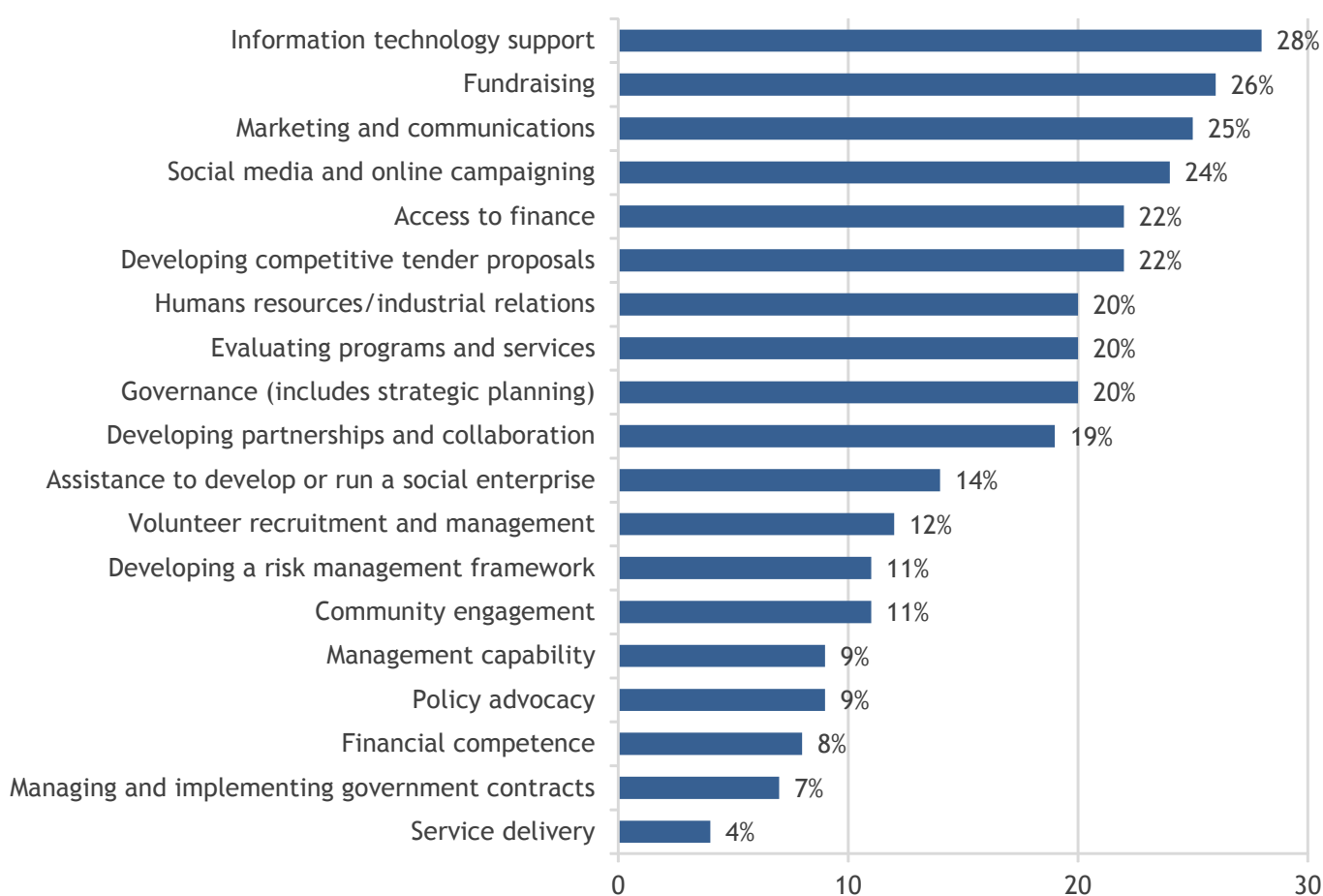
Less than \$250,000: **65%**
\$251,000 - \$999,999: **80%**
\$1,000,00- \$4,999,999: **89%**
\$5,000,00- \$19,999,999: **86%**
More than \$20,000,000: **93%**



8.5 Areas in which services most need external support

Information technology support (28%), fundraising (26%) and marketing and communications were the top three areas in which respondents' most needed external support or services (Figure 23). With underfunding and funding uncertainty consistently identified as the two most critical challenges facing the sector, as well as state government funding cuts to community and welfare services and increased competition between organisations for service contracts, it is unsurprising that fundraising support is ranked second.

Figure 23: Areas in which services most need external support



Question: In which of the following areas does your organisation most need outside advice and/or services to improve?

28% ranked **information technology support** as the area in which they most needed external support.

Fundraising also ranked highly (**26%**).

Marketing and communications (25%) and **social media and online campaigning (24%)** were the third and fourth areas in which respondents had most need of outside support.

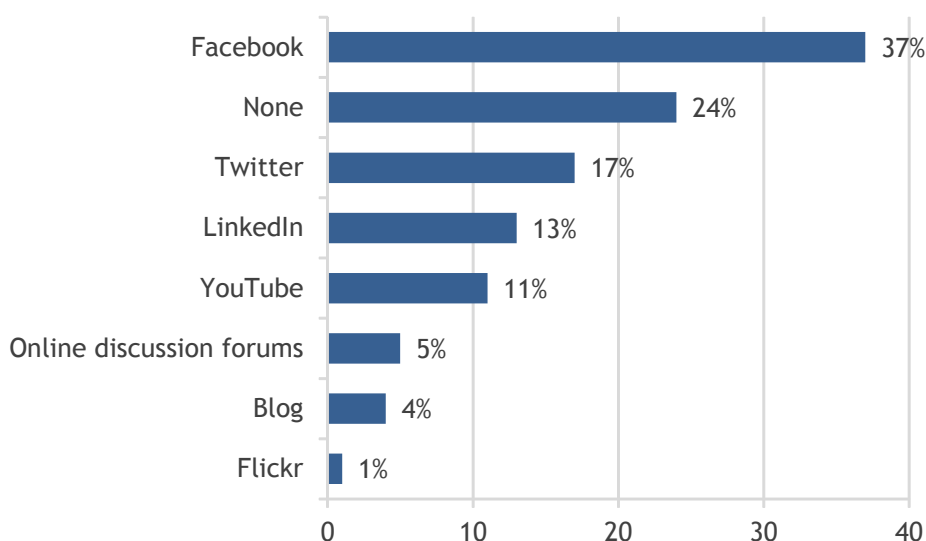


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8.6 Services' use of social media

Similarly, the high levels of need reported for information technology support and assistance with marketing and communications, use of social media and online campaigning reflects the sector's increasing use of the internet and social media as fundraising, communications and campaigning tools. In recognition of these changes in the ways community services communicate and raise awareness and funds, the survey also asked respondents to report on their use of social media tools. Figure 24 shows that 37% of respondents used Facebook, 17% used Twitter and 13% used LinkedIn, while 24% did not use any forms of social media.

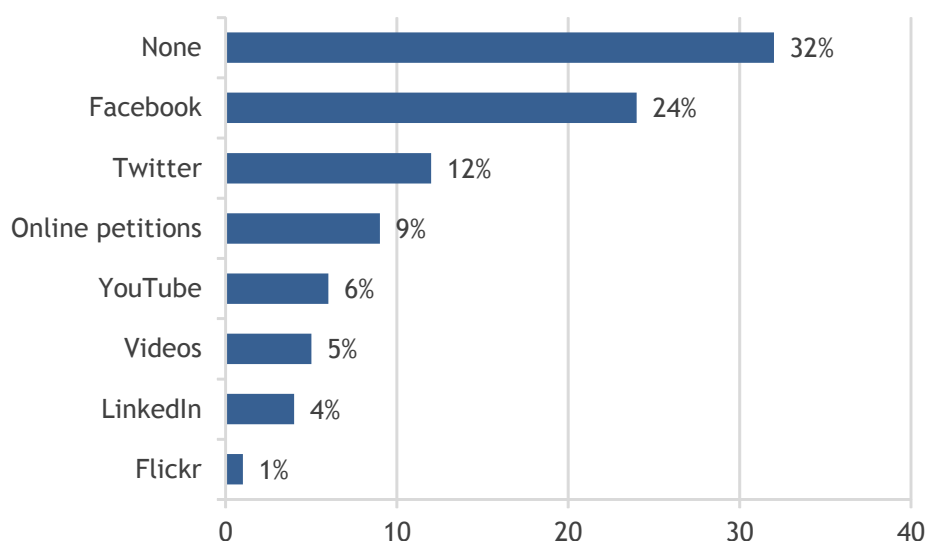
Figure 24: Types of social media used by services



Question: What types of social media does your organisation use? (Tick all that apply.)

Further, 61% of respondents reported using some form of social media or online tools for advocacy and campaigning, with Facebook the most popular tool for these purposes (24%) (Figure 25).

Figure 25: Forms of social media used for campaigning and advocacy



Question: Which of the following (if any) does your organisation use for campaigning and advocacy? (Tick all that apply.)



Appendix 1: Methodology

Classification of community service organisations

Currently there is no national data standard for collecting information about not-for-profit 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 assistance³⁷.

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 education³⁸. 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 sub-sectors 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; whereas 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 is more exhaustive than the classification systems outlined above, particularly the ABS and AIHW schema, which do 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 circumvents this to some extent, but nevertheless is a compromise.

³⁷ Productivity Commission (2010) *The Contribution of the Not-for-profit Sector*, pg. 65

³⁸ *Ibid*



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The table below identifies and defines the classification scheme that has been employed in the ACSS since 2011³⁹.

Table 1: ACSS service classification scheme

Employment/training services
Disability services (other than employment or mental health)
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
Financial support services (e.g. financial counselling, financial literacy, NILS, gambling)
Mental health services
Other health services
Information, advice and referral services
Advocacy (other than legal services)
Legal services
Migrant, refugee and asylum seeker services
Indigenous support services
Residential aged care and nursing homes
Services for the aged and elderly (other than residential)
Community development
Alcohol and other drugs support services
Provision of employment or volunteering through social enterprise
Other

Sampling and sample limits

The sampling frame was members and sector networks of ACOSS and the State and Territory Councils of Social Service. This covers approximately 3,000 community organisations nationally and a further number of individual members who may be associated with additional organisations.

A large, stratified random sample of the sector using a high quality sampling frame would provide the best survey evidence base to collect data, but such a sampling frame is not currently available due to incomplete census-like records of the entire community and social services sector. There is no national profile of the sector that allows representative sampling to occur of each of the sub-sectors.

The sampling method adopted here was non-probability availability sampling: respondent organisations from ACOSS/COSS databases were emailed a cover letter from ACOSS and a link to the survey inviting participation and providing instructions and assurances about data confi-

³⁹ In 2011, Alcohol and Other Drug services were included in the ACSS service classification scheme. Unfortunately, due to technical difficulties with the online survey tool, there is a risk that issues faced by these services and their clients were under-reported in the 2013 survey



dentiality. Additional measures to gain a sample were undertaken. Information about the survey was made available through the ACOSS website and social media, the ACOSS@work bulletin, the ACOSS conference and through ACOSS email distribution lists. Past respondents to ACSS were also contacted by email. Peak bodies were also contacted by telephone to distribute the survey to their members.

Since the sample is non-probability derived, there are validity threats that must be acknowledged. These go beyond typical standard errors attached to estimates derived from randomised sampling with high response rates from complete sampling frames. There is a higher likelihood that past respondents will complete the survey. There may be reasons for survey respondents to answer the survey that make them distinct from 'average' respondents (their organisation has a large amount of resources, the service wants to vent frustration with problems etc.) However, with over 500 valid responses, the survey cross-section represents a large sample from community services overall and includes data from a large number of the sector's major service providers.

Why not pursue a randomised sampling approach? This certainly may be possible in future years. Some limits to a randomised approach need to be recognised. There is no definitive sampling frame, which means randomisation would not address possible biases introduced by incomplete population coverage. Given the current number of 500 responses, there is every likelihood that a randomised method would need to select a very large contact group (relative to the overall population) to ensure that the randomly attained sample was not too small and disallow sub-sector breakdowns. With a low to moderate response rate, obtaining a sufficiently large sample through random methods may result in a sample with similar biases and problems as an availability approach.

Responses

A total of 532 valid responses were obtained. Measures to protect the quality of the sample were undertaken. Multiple responses from the same (usually small) organisation were deleted, with the more complete response kept in the sample. Multiple responses from large organisations were allowed where these organisations have many sites, state-level offices etc. Where multiple responses were submitted, responses were checked to reduce the likelihood of accounting for the same jurisdiction multiple times. A screening question eliminated responses from for-profits and governments. Outliers were examined and suppressed in calculations where judged necessary. New measures that control for the quality of data (in reporting client profiles and turn-away data) were included and, generally, data that was reported as 'mostly guesswork' (lowest level of accuracy on a 4-point scale) were not included in profile and turn-away calculations. However, sensitivity analysis was conducted on these data in particular, for example shifts in turn-away with all 'mostly guesswork' data included and excluded was compared to test the stability of the overall final estimates.



Turn-away rates

In its 2011 (frequency) survey of government-funded specialist homelessness services, AIHW⁴⁰ presents two alternative ways of calculating turn-away rates: the first is the daily number of people turned away from a service expressed as a proportion of those new clients the service was able to help. As AIHW say, this figure tends to be high and fails to account for those who are already accommodated. The alternative measure is to present the daily number of people turned away from a service as a proportion of 'the total expressed demand for accommodation', which produces a much lower turn-away rate. In its most recent report however, AIHW presents information about levels of unmet demand in total volume terms, rather than as a turn-away rate.

ACOSS produces a measure that is somewhere in the middle: it calculates turn-away rates for each sub-sector of services (for example housing/homelessness or legal) by adding up total annual reported turn-away numbers and total annual reported numbers of people assisted⁴¹. This produces a 'weighted' yearly turn-away rate for the sub-sector as a whole, which is higher than the second AIHW measure. This is because the comparison point in ACOSS turn-away rates is the total annual number of clients serviced and the AIHW turn-away rate is the total daily number of clients serviced. Because clients in some or many cases obtain services over more than one day, the denominator in the ACOSS turn-away rates will be proportionately smaller, thus producing higher rates.

ACOSS' measures of turn-away rates reflect sample data only and we caution against making overly-confident generalisations. Still, we believe these rates are capable of producing reliable relative turn-away data that provides good evidence of where pressure is emerging in the welfare sector, especially when combined with other evidence.

40 AIHW (2011) *People turned away from government-funded specialist homelessness services in 2009-10*, <http://www.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=10737419232&libID=10737419231>

41 It is important to note an additional limitation within the measure employed here, which arises from the wording used in the survey questionnaire to elicit data about service usage and turn-away. Specifically, to measure service usage the survey asked respondents to report the *number of people* their organisation provided services to in 2011-12. However, to measure turn-away the survey asked respondents to report the number of times people eligible for a service were turned away during the year. This inconsistency (number of people vs number of times or instances) creates ambiguity and the potential for different interpretations. For example, some respondents may have interpreted both questions in the same way and provided data on the *number of people assisted* and the number of people turned away, whereas others may have provided data on the number of times people were turned away. While both are valid measures, data on the number of times eligible clients were turned away will result in higher turn-away rates, while a single individual client who has attempted to access a service several times could account for multiple *instances* of turn-away.





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