Australian
Council of
Social Service

Australian Community Sector Survey

Report 2009
Volume 1 – National

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Executive Summary

The *Australian Community Sector Survey 2009 Report* (ACSS) presents the findings of the 2009 Australian Community Sector Survey. The report provides information on service use, income, expenditure and workforce issues for the community services and welfare sector.

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

The ACSS 2009 was completed by 556 agencies which provided information about their activities over the financial year 2007-08, and in some questions with reference to the financial year 2006-07. No comparisons are made between the current survey and previous years' surveys. Any reference to the financial year 2006-07 is based on information provided in the 2007-08 survey.

Respondents to the ACSS were drawn from the membership of the State and Territory Councils of Social Service and the Australian Council of Social Service (ACOSS). Collectively these organisations provided the following services:

- home and community care
- residential aged care
- disability services
- child care
- child welfare
- family relationship services
- financial and material support
- housing and homelessness services
- employment/training services
- legal services
- information, advice and referral services
- health services
- individual advocacy
- youth services
- sexual assault/domestic violence services

State/territory reports are available for New South Wales, Victoria, Queensland, Tasmania and the Northern Territory. Reports are not available for the Australian Capital Territory, South Australia or Western Australia as insufficient responses were received from these areas.

Key findings

Demand for services

In 2007-08 respondent agencies provided services to 3,123,990 people, which is an increase of 19% on the 2,625,647 people who received a service from the same agencies in 2006-07. Of this 3.1 million people, just under 40% were provided with "information, advice or referral" services (including telephone advice services).

In 2007-08 respondent agencies turned away 278,107 people who were eligible for a service which is a 17.3% increase on the 237,024 people who were turned away by the same services in 2006-07.

One in 12 people accessing a service was turned away. Housing, youth and child welfare services experienced the most marked mismatch of supply and demand, with almost one in four people accessing a housing or youth service being turned away, and one in three people accessing a child welfare service being turned away.

The majority of agencies reported tighter targeting of their services than in the past. Eighty four per cent of respondents agreed that their organisation was targeting services more tightly than in the past.

Long term housing, crisis and supported housing, and health services (including mental health and drug and alcohol services) were clearly identified as the additional services and supports most needed by the clients of community service and welfare agencies.

The survey confirms the particular importance of community and welfare services to low income and disadvantaged groups. In particular, it finds that Indigenous people are nearly seven times more likely to use community services than their representation in the general community would suggest.

People who are jobless are nearly twice as likely to use community and welfare services than their representation in the general community would suggest.

As this survey collects data from the 2007-08 financial year, it does not capture the effects of the global financial crisis. With organisations already reporting stretched resources and increasingly unmet demand for services, increased unemployment alone is likely to see organisations' capacity to meet this demand significantly compromised.

Delivery

Workforce

There were 21465 paid staff working in respondent organisation in 2007-08. There was an overall increase of 733 Full Time Equivalent (FTE) paid employees working in respondent organisations during this period. This represents an increase of 3.4% on the total number of paid staff.

The sector also engaged 21,519 volunteer service delivery workers.

As noted earlier, in 2007-08 respondent agencies provided services to 3,123,990 people, which is an increase of 19% since 2006-07. This indicates that workload has increased at a greater rate than workforce numbers. While increased productivity, efficiency, and economies of scale may account for some of the discrepancy, the disproportionate increase of workload to staff numbers is likely to indicate that the workforce is under increased pressure.

Sixty-four per cent of respondent agencies indicated that they had experienced difficulty attracting appropriately qualified staff in the past year compared to 36% who had no difficulty.

Income and expenditure

Matching resources to demand remains the fundamental challenge facing sector organisations. Of the 518 respondents who answered a question about the three most important issues facing their organisation, 76% mentioned inadequate funding or insufficient resources as a major issue facing their service.

Respondent agencies have received a 7% increase in overall income between 2005-06 and 2006-07 with a 6% increase in Commonwealth Government funding and a 15% increase in State/Territory Government funding.

Other sector capacity issues

Eighty-five per cent of respondents disagreed with the statement that 'Government funding covers the true cost of delivering contracted services'. Only 8.1% expressed the view that funding was adequate, with 6.9% neither agreeing nor disagreeing.

Respondents were evenly split on the question of whether their funding adequately covered the costs of partnerships and collaborations stipulated in contracts with Government, with 40.3% agreeing and 40.5% disagreeing that costs were covered.

A clear majority of respondents (82.1%) indicated that they were able to speak publicly about issues affecting their clients. Only 8.1% disagreed and another 9.8% neither agreed or disagreed.

The tax status of survey respondents is mixed, with 31.3% of organisations reporting having PBI or DGR status or both, 42% reporting that they were an Income Tax Exempt Charity (ITEC) only, and 6.5% reporting that they were neither PBI, DGR or ITEC.

Methodology

This survey examines changes in the operating environment of community services and welfare organisations between 2006-07 and 2007-08, as well as gathering information about the size and type of services in the community services and welfare sector. As noted above, no comparisons are made between surveys from different years.

As with previous years, a variation of Dillman's method was used to distribute and collect the surveys.[1] This involved mailing and emailing out a cover letter which referred organisations to a website where the survey could be completed; some organisations also received a hard-copy of the survey. Regular reminders were sent out thanking those people who had already returned the survey and reminding those who were yet to complete the survey of the importance of doing so. The reminder letter again encouraged organisations to complete the survey online. Follow up phone calls were made by the State and Territory Councils of Social Service to those organisations whose surveys had not been received by the official date for return.

The ACSS 2009 was completed by 556 agencies that provided information about their activities over the financial years 2006-07 and 2007-08. The year on year comparisons in this report refer only to the information collected from this survey. No comparisons are made between this and previous surveys.[2] It should be noted that figures may not always add to totals due to the effects of rounding.

Table 1.1: Survey returns by State/Territory

State/Territory	Number of responses	Percentage of total
NSW	170	31%
QLD	156	28%
VIC	92	17%
TAS	49	9%
NT	31	6%
ACT	24	4%
SA	26	5%
WA	8	1%
Total	**556**	**100%**

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[1] Dillman, D. (1978), 'Mail and Telephone Surveys: The Total Design Method', Wiley, New York
[2] Respondents to the survey vary from year to year which makes direct comparisons with previous surveys of this kind misleading.

The survey population

To place the ACSS in the context of other quantitative information which is available on parts of the sector, we compare the services and organisations covered by the ACSS with those covered by *Not-for-profit Organisations, Australia, 2006-07,*[3] and *Australia's Welfare 2007.*[4]

The ACSS 2009 was completed by 556 agencies that provided information about their activities over the past two financial years, 2006-07and 2007-08. Respondents to the ACSS were drawn from the membership of the State and Territory Councils of Social Service and ACOSS. Collectively these organisations provided the following services:

- home and community care
- residential aged care
- disability services
- child care
- child welfare
- family relationship services
- financial and material support
- housing and homelessness services
- employment/training services
- legal services
- information, advice and referral services
- health services
- individual advocacy
- youth services
- sexual assault/domestic violence services

The respondents to the ACSS cover a wider field of services than those categorised under the *Australian Institute of Health and Welfare National Classification of Community Services*, as the ACSS includes employment, housing and health services as well as the traditional community services such as aged care and child care.

The ACSS is also wider in scope than *Social Services* chapter of *Not-for-profit Organisations, Australia* which covers only organisations as defined by the International Classification of Non-Profit Organisations (ICNPO), which encompasses:

- Child welfare, child services and day care
- Youth services and youth welfare

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[3] Australian Bureau of Statistics (ABS) (2008), *Not-for-profit Organisations, Australia*, 2006-07, ABS Catalogue No. 8106.0
[4] Australian Institute of Health and Welfare, *Australia's Welfare 2007*, Canberra, 2007

- Family services
- Services for the handicapped
- Services for the elderly
- Self-help and other personal social services
- Disaster/emergency prevention and control
- Temporary shelters
- Refugee assistance
- Income support and maintenance
- Material assistance

Size and scope of sector

Although it is not possible to compare the results of the ACSS 2009 with other surveys because the surveyed populations and time frames are different, some information from *Not-for-profit Organisations* and *Australia's Welfare 2007* is provided here as context for the results of the ACSS.

Size of Sector

At the end of June 2007, there were 5,804 not-for-profit social services organisations in Australia. Examples of these types of organisations include youth and family welfare services, childcare, services for the disabled and elderly, refugee and homeless assistance, emergency accommodation and shelters[5].

ABS data from 2001 indicates that while the number of Government organisations had remained virtually the same since June 1996, the number of 'for-profit' and 'not-for-profit' organisations had increased by 32% and 10% respectively.[6]

Expenditure

The Australian Institute of Health and Welfare (AIHW) estimates that expenditure by Non-Government Community Service Organisations (NGCSOs) in 2005-06 was $20 billion, with the government share of funding accounting for 62%, client sources accounting for 25% and NGCSOs' own source funding accounting for 13%. [7]

Workforce

In 2006 there were approximately 268,400 people employed (220,800 Full Time Equivalent) in community services industries in Australia, representing 2.6% of all employed persons across all industries.[8] This translates to 1,403 FTE community service workers per 100,000 population in Australia.[9]

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[5] ABS (2008)
[6] Australian Bureau of Statistics (ABS) (2001), *Community Services Australia*, ABS Catalogue No. 8696.0
[7] AIHW (2007) Australia's Welfare 2007, p 324.
[8] Ibid at p.331.
[9] Ibid at p.333.

The number of persons employed in community services industries increased by 16% between 2001 and 2006. This compares with a 12% increase across all industries.[10]

Employees in community services were predominantly female (87%).

National

Survey results

Demand

Service coverage

Approximately 19% of respondents provided a service across a state or territory. A similar number of respondents provided a service in a regional centre (15%) or across a region (15%). Those organisations operating in an inner metropolitan area represented 12% of all respondents, and 13% operated in another metropolitan area. Ten percent of respondents operated in a rural centre, 4% nationally, and 3% in a remote area.
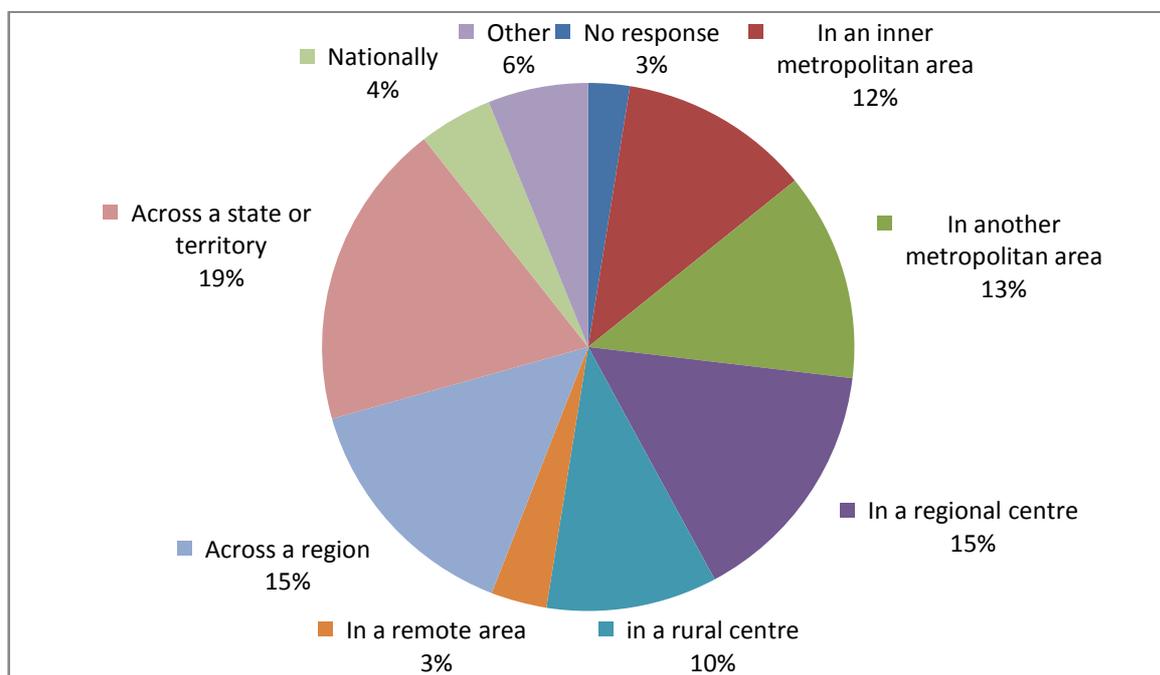
Service users

As Table 1.2 shows, specific groups within the Australian population are over-represented as users of community and welfare services.

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[10] Ibid at p.333.

Most significantly:

- Indigenous people are 6.5 times more likely to use community and welfare services than their representation in the general community would suggest.
- People who are jobless are nearly twice as likely to use community and welfare services than their representation in the general community would suggest.
- People with a disability are 1.5 times more likely to use community and welfare services than their representation in the general community would suggest.
- Women are 1.3 times more likely to use community and welfare services than their representation in the general community would suggest.

This indicates that community and welfare services are particularly important to low income and disadvantaged groups within the community.

Levels of disadvantage are known to be much higher among Indigenous communities and in jobless households. Women are much more likely to be the primary carers of children in single parent households (and at a high risk of poverty) and also more likely to approach community and welfare agencies in times of family need than couple parent families.

Table 1.2: Service users

N=556

Population Group	Percentage of service users	Percentage of general community
People with a disability	30%	20%[11]
Indigenous	15%	2.3%[12]
Jobless	65%	37.4%[13]
Culturally and linguistically diverse	24%	21%[14]
Women	65%	50%[15]
People under 14	14%	19.8%[16]
People between 15-24	21.6%	13.6%[17]
People between 25-64	46.4%	53.2%[18]
People over the age of 65	17.9%	13.3%[19]

[11] ABS, Disability, Ageing and Carers, Australia, Cat. No. 4430.0, 2003, p.3
[12] ABS, 2006 Census *QuickStats*, accessed at http://www.censusdata.abs.gov.au on 22 April 2009.
[13] This figure is derived from ABS, *Labour Force,* March 2008.
[14] This is a reference to the proportion of people who speak a language other than English at home, derived from the ABS Census *Quick Stats 2006* accessed at http://www.censusdata.abs.gov.au on 22 April 2009.
[15] ABS, 2006 Census *QuickStats,* accessed at http://www.censusdata.abs.gov.au on 22 April 2009.
[16] ibid
[17] ibid
[18] ibid
[19] ibid

Demand for services

In 2007-08 respondent agencies provided services to 3,123,990 people, which is an increase of 19% on the 2,625,647 people who received a service from these agencies in 2006-07. Of this 3.1 million people, just under 40% were provided with "information, advice or referral" services (including telephone advice services).

In 2007-08 respondent agencies turned away 278,107 people who were eligible for a service which is a 17.3% increase on the 237,024 people who were turned away by the same services in 2006-07. One in 12 people accessing a service were turned away.

Of the people turned away from a service, 17.4% were seeking a youth service, 12.1% were seeking a information, advice or referral service, and 11.5% were seeking financial and material support.

Total demand was 8.2% greater than organisations' capacity to supply services. The disaggregated figures demonstrate considerable differences between service types in terms of mismatch of supply and demand. While a large number of people (representing 12.1% of those turned away, as noted above) were not able to access *information, advice or referral services*, they are only equivalent to 2.7% of the total number of people who were able to access these services. *Child welfare services* faced additional demand equivalent to 50% of those assisted, and the demand for *housing/homelessness services* (representing 6.9% of all people turned away) was equivalent to 30% of those people accessing the service.

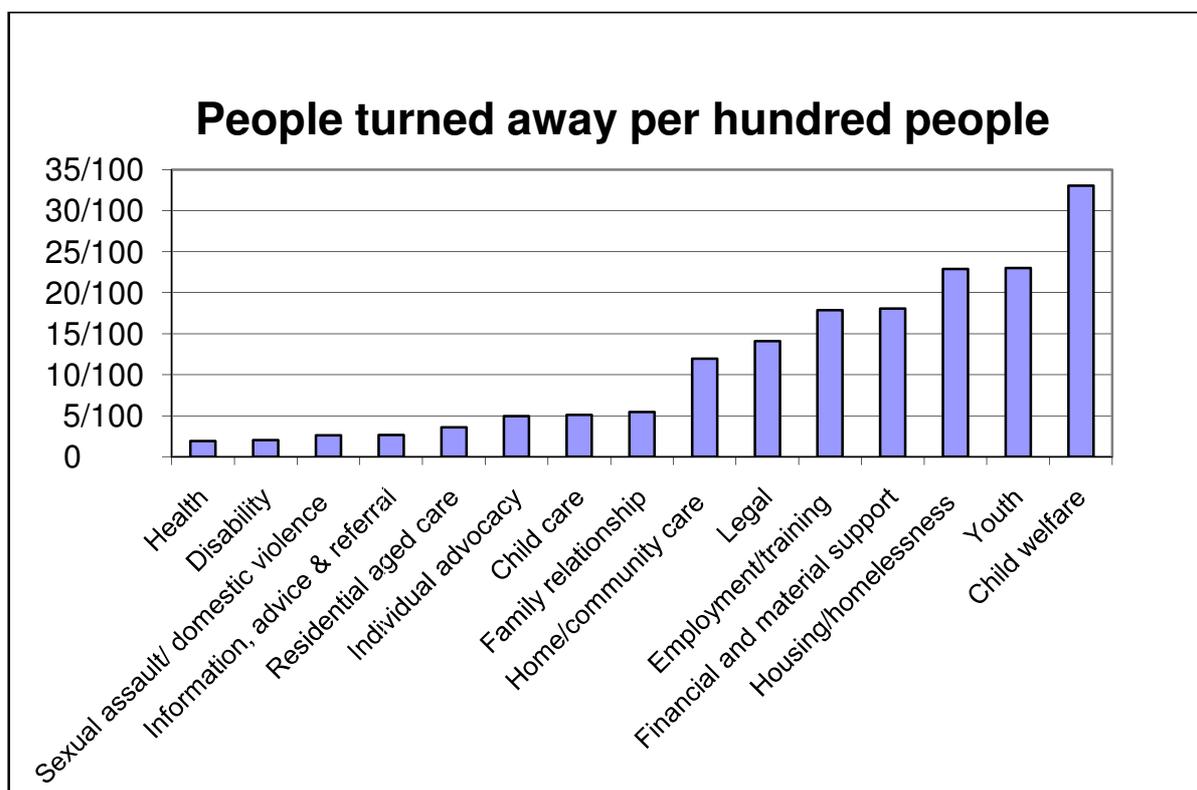**People turned away per hundred people**

Table 1.3 shows the percentage of eligible people turned away as a proportion of the number of people who received a service by service type in 2007-08. This provides a guide to the level of the mismatch of supply and demand for specific services.

Table 1.3: Number of people assisted and not assisted by service type 2007-08

Service type	Number of people who received a service	Number of eligible people turned away	People turned away as a % of total people assisted
Child care	29288	1575	5.4%
Child welfare	11279	5570	49.4%
Disability	51076	1046	2.0%
Employment/training	50071	10903	21.8%
Family relationship	86695	4996	5.8%
Financial and material support	145658	32118	22.1%
Health	59432	1165	2.0%
Home/community care	78916	10724	13.6%
Housing/homelessness	64641	19202	29.7%
Individual advocacy	30405	1577	5.2%
Information, advice & referral	1231375	33680	2.7%
Legal	28792	4716	16.4%
Other	875374	95920	11.0%
Residential aged care	67222	2490	3.7%
Sexual assault/ domestic violence [20]	151796	4068	2.7%
Youth	161970	48357	29.9%
TOTAL	3123990	278107	

Service targeting

When demand for services outstrips the capacity to supply these services, many organisations will implement tighter targeting measures as a way of limiting this demand, and utilising constrained resources in the most equitable manner. Governmental policy, through funding and other arrangements, can also require that organisations target their services more narrowly.

With more tightly targeted service delivery aimed at rationing finite resources, many organisations will experience increased complexity in client needs. This increased complexity can have a significant impact on organisational workloads if appropriate resources are not made available.

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[20] This figure may under-represent actual demand as this may be reported within housing/homelessness services

Any change in service targeting is, therefore, an important gauge of both demand for services, and organisational resources relative to this demand.

The majority of respondents reported tighter targeting of their services in 2007-08 than in previous years. When asked to respond to the statement *our organisation is targeting its services more tightly than in the past*, 84% of respondents answered that they agreed (66%) or strongly agreed (18%) with this statement. No respondents strongly disagreed with the statement, and 16% disagreed.

What services and supports are needed?

Agencies were asked to list in priority order the services and supports most needed by their clients, other than the services provided by their own agency.

Long term housing was identified as the service most needed, with 23% of respondents listing this as the most important service, and 74% of respondents listing it in the top five most important services. *Crisis and supported accommodation*, and *health care (including mental health and drug and alcohol services)* were both ranked first by 12% of respondents. *Crisis and supported accommodation* was listed as in the top five most important services by 65% of respondents, and *health care* was listed in the top five by 74% of respondents.

Table 1.4: Client need by service type 2007-08

Service type	Ranking score[21]	Number of times ranked most important	% of respondents who ranked this service in the top five most important
Long term housing	1	58	74%
Crisis and supported accommodation	2	29	65%
Health care (including mental health & drug & alcohol services)	3	29	74%
Income support	4	19	61%
Aged and disability services	5	33	34%
Employment, education and training programs	6	13	45%
Transport	7	15	42%
Legal services	8	14	25%
Family relationship services	9	12	40%
Domestic violence/ sexual assault services	10	7	34%
Cultural, arts, recreation, sporting, information and social activities	11	4	23%
Child care	12	11	18%
Assistance with the cost of utilities (energy, water, telecommunications)	13	4	29%
Child welfare services	14	3	24%
TOTAL		251	

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[21] Ranking is determined by adding the number of times respondents marked a service type as the most important, second most important and third most important.

Delivery

Character of the workforce

Paid staff

In 2007-08 respondent organisations employed 21,465 paid staff (Full Time Equivalent).

Volunteer staff

In 2007-08 respondent organisations engaged 21,519 volunteer service delivery workers.

Larger organisations tend to have a larger proportion of paid staff, although organisations of all sizes still utilise large numbers of volunteers.

There were 2232 volunteer board/ management committee members. It is noteworthy that organisations of all sizes are governed primarily by volunteer boards.

Staff hiring and leaving

There was a net increase of 733 Full Time Equivalent (FTE) employees working in respondent organisations during 2007-08. This represents an increase of 3.4% on the total number of paid staff.

Table 1.6: Staff hired and left 2006-07

N=556

	Hired (FTE)	Left (FTE)	Difference (FTE)
Management	371.21	301.26	69.95
Service worker	3201.86	2704.45	497.41
Clerical/administration	573.77	407.81	165.96
TOTAL	**4146.84**	**3413.52**	**733.32**

Staff turnover

Staff turnover is a function of the number of staff leaving over the number of staff employed. In 2007-08, respondent agencies employed 4146 FTE staff and lost 3413 FTE staff. Average staff turnover across respondent agencies is therefore equivalent to 15.9%.

Increasing time worked

As noted earlier, in 2007-08 respondent agencies provided services to 3,123,990 people, which is an increase of 19% since 2006-07. This indicates that workload has increased at a greater rate than workforce numbers. While increased productivity, efficiency, and economies of scale may account for some of the discrepancy, the disproportionate increase of workload to staff numbers is likely to indicate that the workforce is under increased pressure.

Attracting appropriately qualified staff

Sixty-four per cent of respondent agencies indicated that they had experienced difficulty attracting appropriately qualified staff in the past year compared to 36% who had no difficulty.[22]

The need for appropriately qualified staff was also reflected in other areas of the survey. An open ended question about the three most important issues facing services resulted in 62% of respondents naming workforce issues as one of these three. A significant proportion of respondents expressed concern about wage levels and indicated that they had trouble attracting and retaining appropriate staff.

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[22] N=263.

Income and Expenditure

Matching resources to demand remains the fundamental challenge facing sector organisations. Of the 518 respondents who answered a question about the three most important issues facing their organisation, 76% reported that inadequate funding or insufficient resources is a major issue facing their service.

Looking at the overall income and expenditure for all organisations (Table 1.7) it can be seen that income has increased by $53 million and expenditure has increased by $105 million between 2006-07 and 2007-08, decreasing the surplus by $52 million.

Table 1.7: Income and Expenditure Totals

Year	Total operating expenses[23] ($ millions)	Total income ($ millions)	Deficit/Surplus ($ millions)
2007/08	1,622	1,634	12
2006/07	1,517	1,581	64
Difference	105	53	-52

Organisations' expenses increased by 6.9% while funding increased by 3.4% between 2006-07 and 2007-08. The biggest percentage increase in funding came from the states, which increased by 14.8%. Client income was reduced by 8% which is consistent with increased service targeting.

Table 1.8: Funding Sources

N=223

Source	2006-07 (millions)	2007-08 (millions)	% change	% total (2007-08)
Commonwealth Government	653	691	5.8%	42.3%
State/Territory Government	455	523	14.8%	32%
Local Government	3	3	3.7%	0.2%
Client fee income	162	149	-8%	9.1%
Own source income*	371	382	3%	23.4%
Total	**1,581**	**1,634**	**3.4%**	**100%**

* incl. donations, sponsorship, sale of goods and services to the public etc

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[23] N=252

Other sector capacity issues

A number of other factors affect the viability of community sector organisations including the adequacy of funding levels and the effect of government contractual requirements, and the tax status of organisations.

These factors impact upon an organisation's ability to recruit and retain staff, to effectively deliver services and work with other organisations, and balance service delivery demands, advocacy and administrative requirements.

Adequacy of Government funding to meet cost of contracted services

Eighty-five per cent of respondents disagreed with the statement that 'Government funding covers the true cost of delivering contracted services'. Only 8.1% expressed the view that funding was adequate, with 6.9% neither agreeing nor disagreeing.

Figure 1.7: Adequacy of government funding: proportion agree/disagree with statement: 'Government funding covers the true cost of delivering contracted services'

N=316
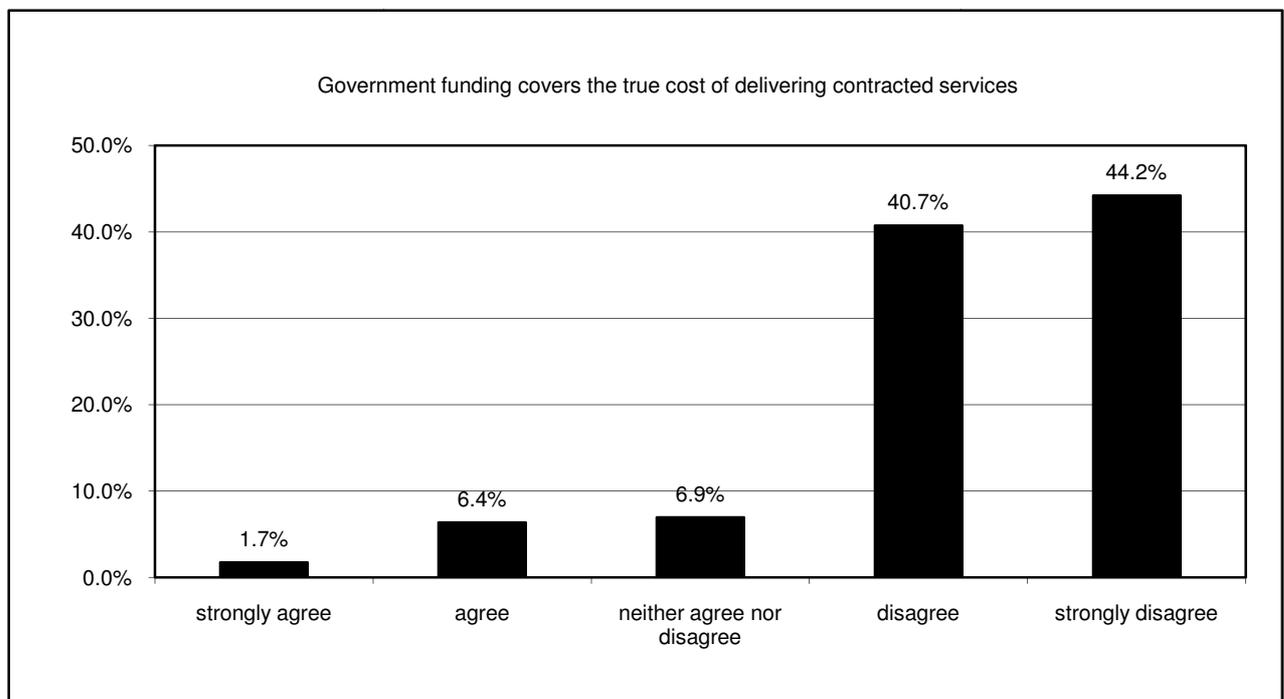
Adequacy of Government funding to cover the cost of partnerships and collaborations

Respondents were evenly split on the question of whether their funding adequately covered the costs of partnerships and collaborations stipulated in contracts with Government, with 40.3% agreeing and 40.5% disagreeing that costs were covered.

Figure 1.8: Adequacy of government funding regarding cost of partnerships: proportion agree/disagree with statement: 'Government funding adequately covers the cost of partnerships and collaborations required in our contracts with Government'

N=312
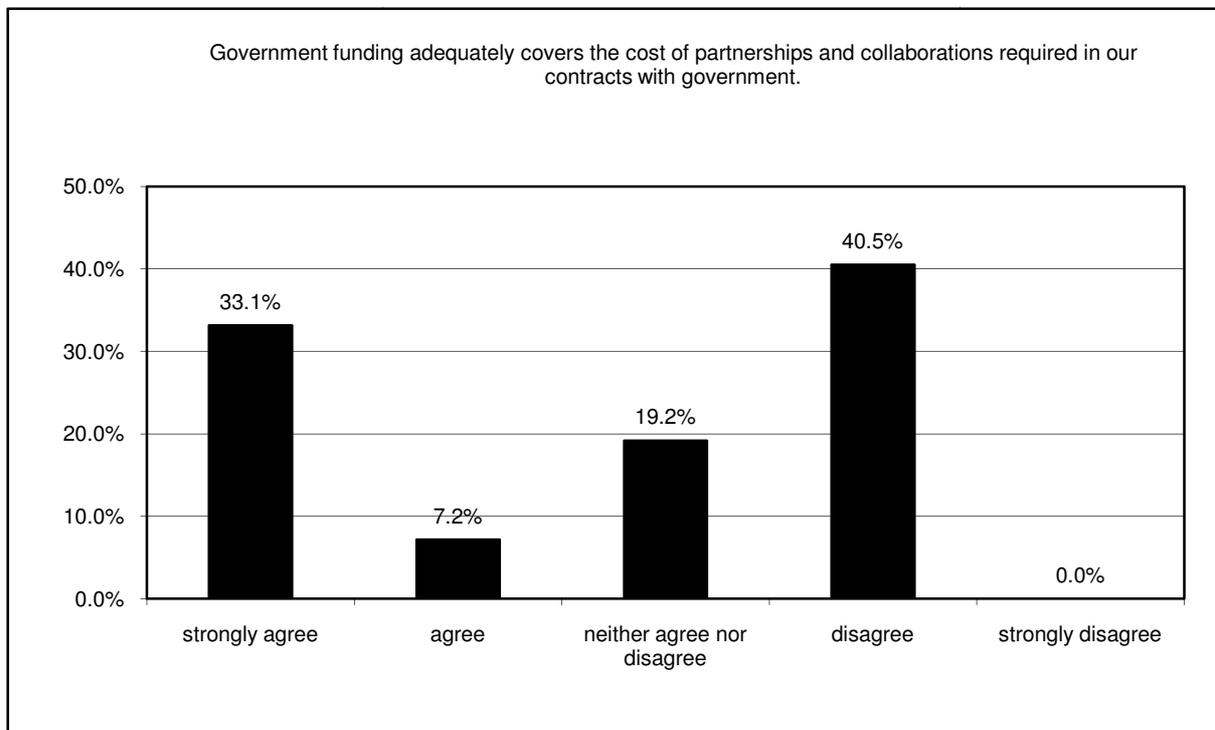
Effect of contract requirements on organisations' ability to deliver contracted services

Respondents were also divided over the effect of contract requirements on organisations' ability to deliver contracted services. While 32.7% of respondents agreed that contract requirements adversely affected their organisation's ability to deliver contracted services, 23.1% disagreed with this statement. The remaining 44.2% neither agreed nor disagreed.

Figure 1.9: Effect of contract requirements: proportion agree/disagree with statement: 'contract requirements adversely affect our organisation's ability to deliver contracted services'

N=306
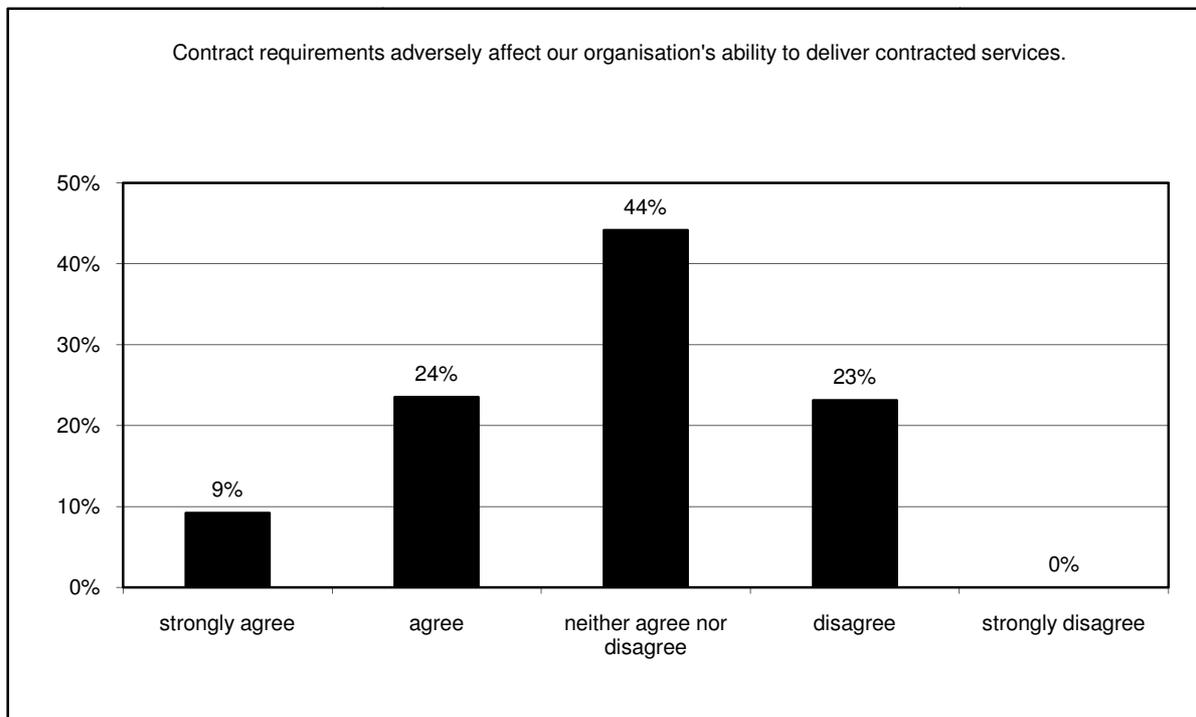
*The advocacy role of community organisations*

A clear majority of respondents (82.1%) indicated that they were able to speak publicly about issues affecting their clients. Only 8.1% disagreed and another 9.8% neither agreed or disagreed.

Figure 1.10: Ability to speak publicly: proportion agree/disagree with statement: 'our organisation is able to speak publicly about the issues facing our clients'

N=321
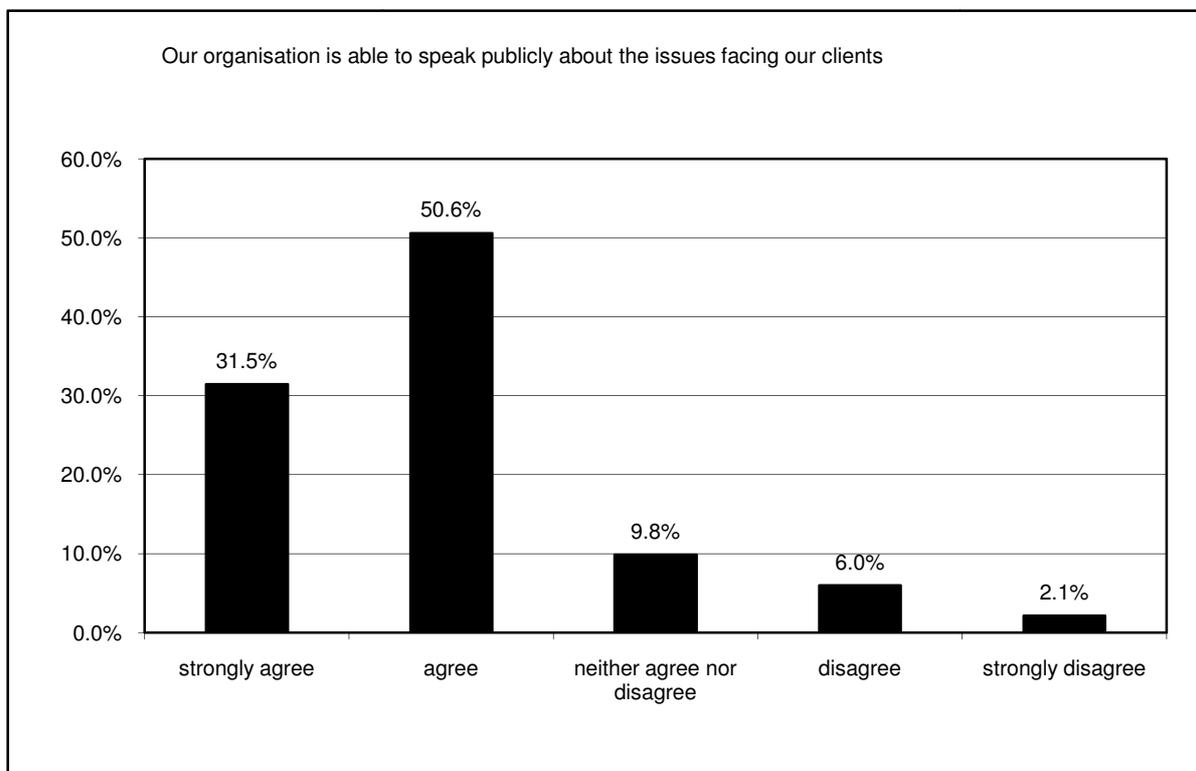
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Tax Status

The tax concessions available to community service organisations depend on the purposes and activities of specific organisations and how the Australian Taxation Office and State Government entities interpret the law governing charities and related organisations.

Tax concessions can be very valuable to individual organisations, running from exemptions from paying income tax to Fringe Benefits Tax (FBT) exemptions which enable employers to offer employees 'salary packages' which include untaxed non-cash benefits.

Status as a Public Benevolent Institution (PBI) attracts particularly generous concessions, including exemptions from FBT. Status as a Deductible Gift Recipient (DGR) not only makes gifting to these organisations attractive but is a pre-condition for funding by most philanthropic bodies.

The tax status of survey respondents is mixed, with 31.3% of organisations reporting having PBI or DGR status or both, 42% reporting that they were an Income Tax Exempt Charity (ITEC) only, and 6.5% reporting that they were neither PBI, DGR or ITEC.

Table 1.9: Tax status

Tax Status	Number of organisations	Percentage
ITEC	129	42.0%
ITEC, PBI, & DGR	56	18.2%
PBI	56	18.2%
DGR	26	8.5%
PBI and DGR	14	4.6%
ITEC and PBI	6	6.5%
None of the above	20	6.5%
TOTAL	**307**	**100%**

Key results by size of agency

When the key results in the previous sections of this report are disaggregated by agency size[24] we find that:

- small and medium agencies operate on much slimmer financial margins than larger agencies (see table 1.10)
- the larger the organisation, the lower the percentage of eligible people turned away from the agency as a percentage of those assisted (see table 1.11)
- the larger the organisation the lower the staff turnover but the greater the difficulty in attracting qualified staff (see table 1.12).

Table 1.10: Deficit/Surplus by agency size

Agency size	Total income ($ millions)	Total operating expenses ($ millions)	Deficit/ surplus ($ millions)	Deficit/surplus as % of income
Small <$1,000,000 N = 138	59.4	58.0	1.4	2.3%
Medium >$1,000,001 <$5,000,000 N = 53	118.6	116.9	1.6	1.4%
Large >$5,000,001 N = 46	1522.5	1427.6	95.0	6.2%

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[24] Small agencies were classified as those with incomes between $1 and $1 million, medium sized agencies were classified as those with incomes between $1million and $5 million, and large agencies as those with incomes greater than $5 million.

Table 1.11: People turned away by agency size 2007-08

Agency Size	Eligible people turned away as a % of people assisted
Small N = 138	15.3%
Medium N = 53	6.9%
Large N = 46	3.0%

Table 1.12: Staff turnover and recruitment by agency size

Agency Size	Number paid staff (FTE)	Number paid staff (FTE) who left	Staff turnover	% who had difficulty attracting qualified staff
Small n = 138	598	187	31%	38%
Medium n = 53	1538	328	21%	62%
Large n = 46	14374	2459	17%	78%

New South Wales

Survey results

The ACSS 2008 was completed by 170 agencies in NSW who provided information about their activities over the financial years 2006-07 and 2007-08.

Service coverage

In terms of geographic coverage, 28.9% of organisations primarily served people in an inner or other metropolitan area. Those organisations operating in regional, rural, or remote areas accounted for 32.3% of all organisations.

Area where service primarily operates	number	percentage
In an inner metropolitan area	21	12.4%
In another metropolitan area	28	16.5%
In a regional centre	30	17.6%
in a rural centre	23	13.5%
In a remote area	2	1.2%
Across a region	21	12.4%
Across a state or territory	14	8.2%
Nationally	8	4.7%
Other	16	9.4%
no response	7	4.1%
TOTAL	**170**	

Service use

Demand for services

In 2007-08 respondent agencies provided services to 1,549,691 people, which is a 23.2% increase on the number of people who received a service in 2006-07 (1,258,176).

In 2006-07 respondent agencies turned away 115,219 people, which is a 50.5% increase on the number of people turned away in 2005-06 (76,540).

Perceptions of demand

Service targeting

When demand for services outstrips the capacity to supply these services, many organisations will implement tighter targeting measures as a way of limiting this demand, and utilising constrained

resources in the most equitable manner. Governmental policy, through funding and other arrangements, can also require that organisations target their services more narrowly.

With more tightly targeted service delivery aimed at rationing finite resources, many organisations will experience increased complexity in client needs. This increased complexity can have a significant impact on organisational workloads if appropriate resources are not made available.

Any change in service targeting is, therefore, an important gauge of both demand for services, and organisational resources relative to this demand.

Eighty four per cent of respondents agreed that their organisation was targeting services more tightly than in the past.

Figure 2.1: Targeting services: proportion agree/disagree with statement:
'our organisation is targeting our services more tightly than in the past' (NSW)

N= 123
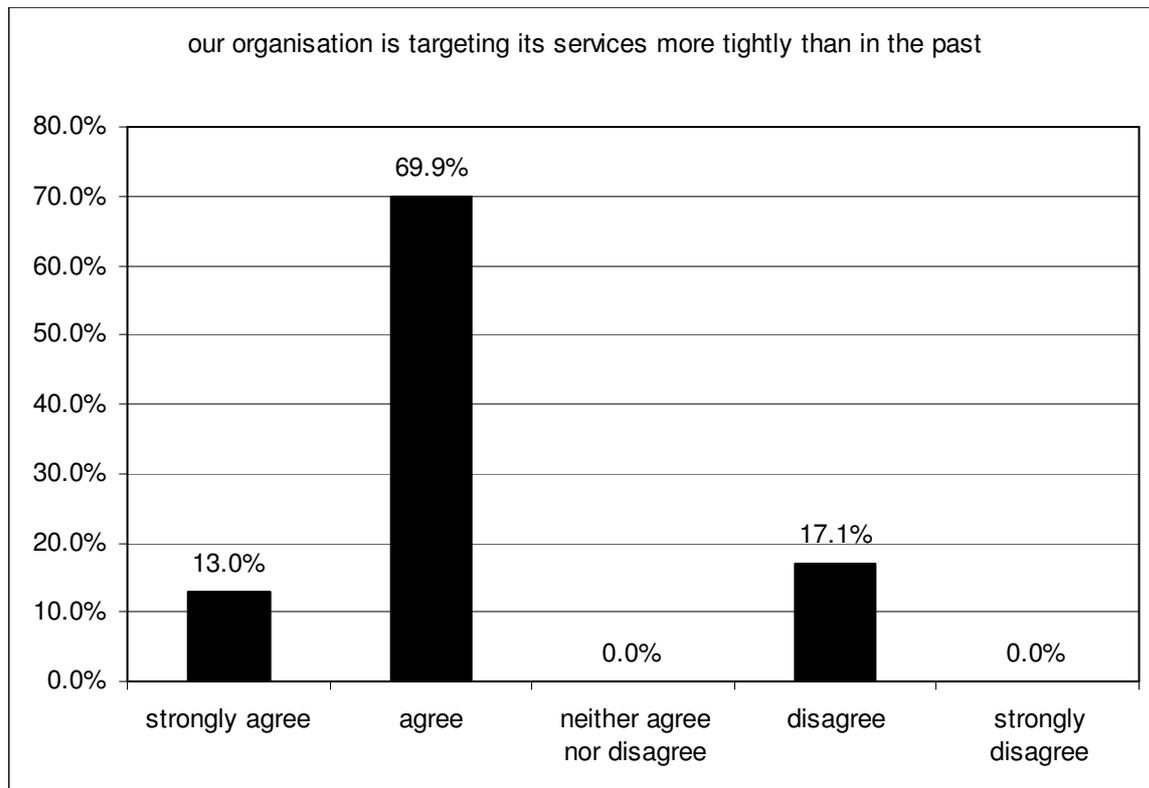
our organisation is targeting its services more tightly than in the past

What services are needed?

Agencies were asked to list, in priority order, the services most needed by their clients (other than the services provided by their own agency).

Health services (including mental health and drug and alcohol services) and long term housing were clearly identified as the services most needed by the clients of community service and welfare agencies.

Table 2.1: Client need by service type 2006-07 (NSW)

N= 63

Service type	Ranking score[25]	Number of times ranked most important	% of respondents who ranked this service in the top five most important
Long term housing	1	14	75%
Health care (including mental health and drug and alcohol services)	2	8	79%
Aged and disability services	3	11	45%
Crisis and supported accommodation	4	7	64%
Income support	5	5	59%
Employment, education and training programs	6	5	42%
Transport	7	4	42%
Family relationship services	8	5	37%
Assistance with the cost of utilities (energy, water, telecommunications)	9	1	19%
Cultural, arts, recreation, sporting, information and social activities	10	0	29%
Domestic violence/ sexual assault services	11	2	29%
Child welfare services	12	0	19%
Legal services	13	1	17%
Child care	14	0	16%

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[25] Ranking is determined by adding the number of times respondents marked a service type as the most important, second most important and third most important.

Delivery

Character of the workforce

Paid staff

In 2007-08 respondent organisations employed 8,174 paid staff (Full Time Equivalent).

Volunteer staff

In 2007-08 respondent organisations engaged 5,924 volunteer service delivery workers.

Larger organisations tend to have a larger proportion of paid staff, although organisations of all sizes still utilise large numbers of volunteers.

It is noteworthy that organisations of all sizes are governed primarily by volunteer boards.

Staff hiring and leaving

There was an overall increase of 227.3 Full Time Equivalent (FTE) employees working in respondent organisations during 2007-08. This represents an increase of 7% on the total number of paid staff.

Table 2.3: Staff hired and left 2007-08 (NSW)

Employee category	Hired (FTE)	Left (FTE)	Difference (FTE)
Management	166	127	39
Service worker	1041.85	945.5	96.35
Clerical/administration	276.45	184.5	91.95
Total	1484.3	1257	227.3

Staff turnover

Staff turnover is a function of the number of staff leaving over the number of staff employed. In 2007-08, respondent agencies employed 1484 full time equivalent staff and lost 1253 full time equivalent staff. Average staff turnover across respondent agencies is therefore equivalent to 38.8%.

Additional work

One way that agencies can increase the capacity of agencies to meet excess demand, is to try to squeeze more out of existing resources, which includes the use of increased volunteer and unpaid staff labour. Fifty seven per cent of respondents agreed that they had increased the number of paid hours worked by staff in 2007-08. Eighty four per cent of agencies agreed that the unfunded work by staff and volunteers had increased between 2006-07 and 2007-08.

Figure 2.5: Use of paid work: proportion agree/disagree with statement: 'this year we have increased the number of paid hours worked by staff' (NSW)
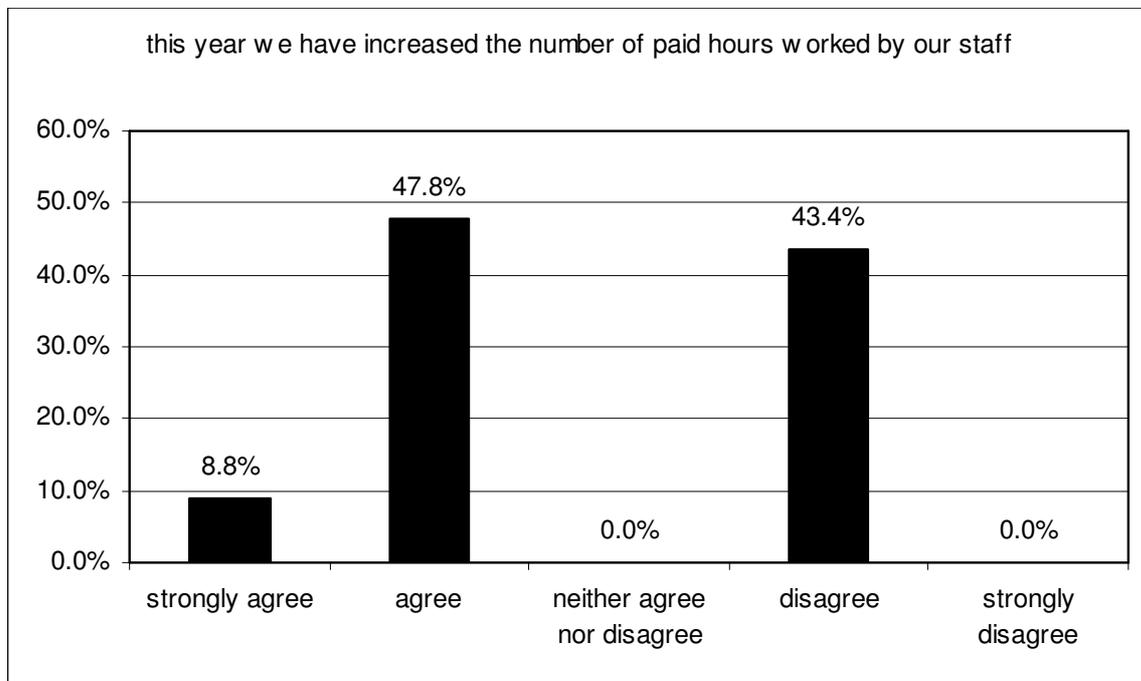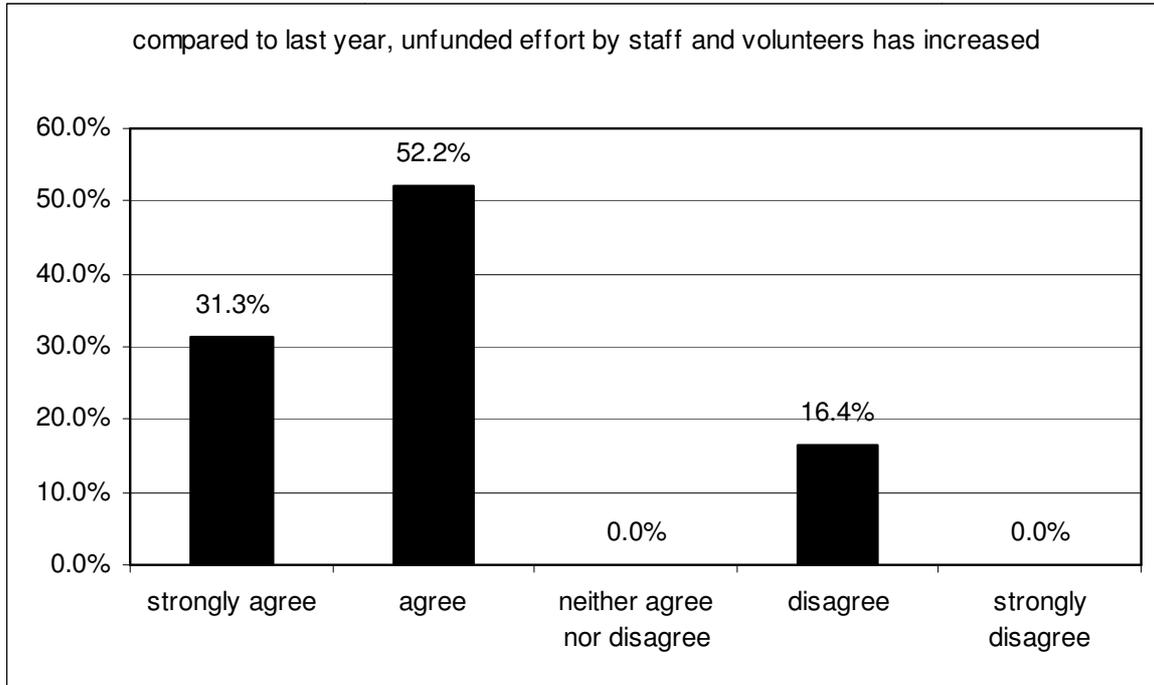
N= 113

Figure 2.6: Use of unpaid work: proportion agree/disagree with statement: 'compared to last year unfunded work by staff and volunteers has increased' (NSW)

N= 134

compared to last year, unfunded effort by staff and volunteers has increased

Attracting appropriately qualified staff

Sixty three per cent of respondents indicated that they had experienced difficulty attracting appropriately qualified staff in the past year compared to 37% who had no difficulty.[26]

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[26] N=71.

Income and Expenditure

The capacity to recruit, pay, train and support a high quality workforce depends largely on the financial capacity of the industry.

As Table 2.4 shows, income has increased over the year by $51.9 million and operating expenses by $14.6 million. This has increased the overall surplus by $37.4 million.

Table 2.4: Income and Expenditure 2006-07 & 2007-08 (NSW)

Year	Total operating expenses[27] ($ millions)	Total income ($ millions)	Deficit/Surplus ($ millions)
2007-08	821.5	892.0	70.5
2006-07	806.9	840.0	33.1
Difference	14.6	51.9	37.4

Income

Agencies have received a 7.4% increase in overall income between 2006-07 and 2007-08. Income has grown across all the major sources with a:

- 16.1% increase in State Government funding, representing 18.5% of total income
- 0.5% increase in Commonwealth Government funding, representing 51.7% of total income
- 5.5% increase in client fee incomes, representing 11.2% of total income
- 1.3% decrease in agency own source income, representing 24.7% of total income
- 10.3% decrease in local government funding, representing 0.1% of total income

Source	2006-07 (millions)	2007-08 (millions)	% change	% total (2007-08)
Commonwealth Government	459.0	461.3	0.5%	51.7%
State/Territory Government	142.1	165.0	16.1%	18.5%
Local Government	0.5	0.5	-10.3%	0.1%
Client fee income	94.6	99.8	5.5%	11.2%
Own source income*	220.2	223.1	-1.3%	24.7%
Total	**840.0**	**892.0**	**6.2%**	**100%**

Adequacy of Government funding to meet cost of contracted services

Eighty-two per cent of respondents disagreed with the statement that 'Government funding covers the true cost of delivering contracted services'. Only 8% expressed the view that funding was adequate, with 9% neither agreeing nor disagreeing.

Figure 2.7: Adequacy of Government funding: proportion agree/disagree with statement: 'Government funding covers the true cost of delivering contracted services' (NSW)
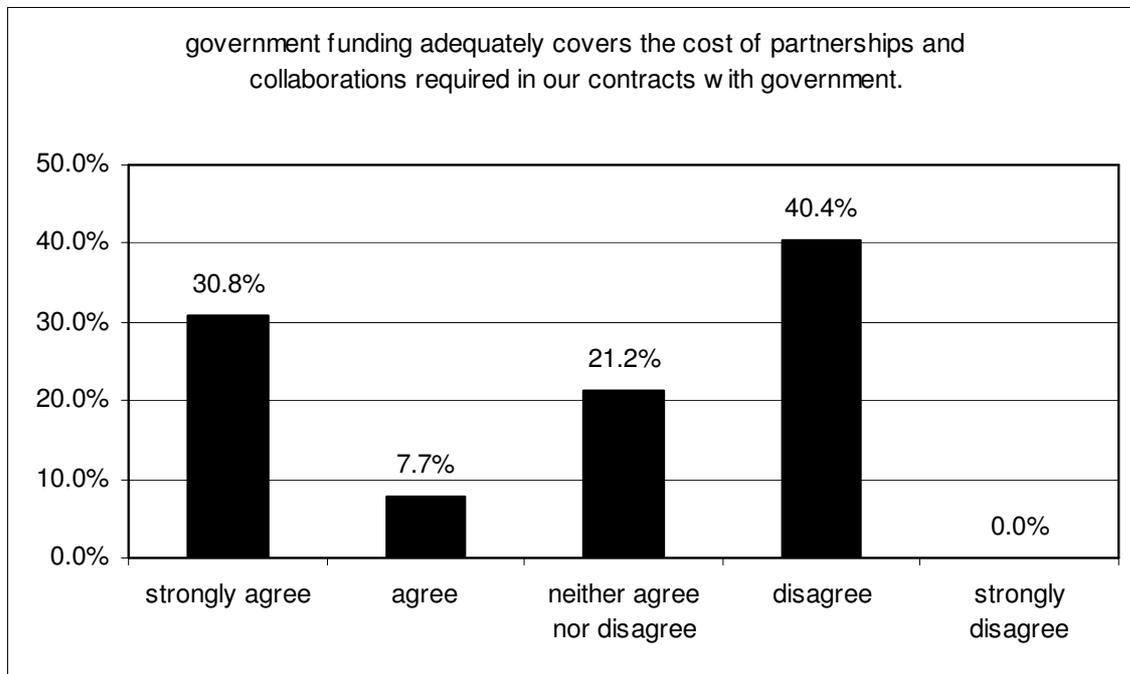
N= 156
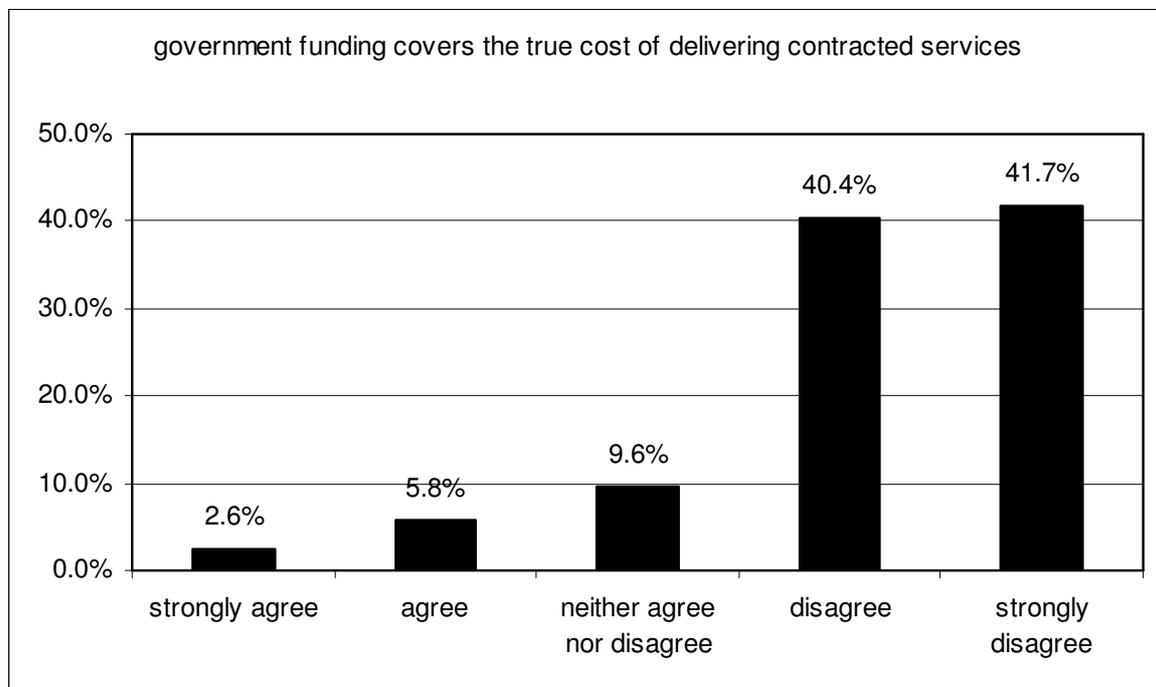
Adequacy of Government funding to cover cost of partnerships and collaborations

Respondents were evenly split on the question of whether their funding adequately covered the costs of partnerships and collaborations stipulated in contracts with Government, with 38% agreeing and 40% disagreeing.

Figure 2.8: Adequacy of Government funding regarding cost of partnerships: proportion agree/disagree with statement: 'Government funding adequately covers the cost of partnerships and collaborations required in our contracts with Government' (NSW)

N= 156

government funding adequately covers the cost of partnerships and collaborations required in our contracts with government.
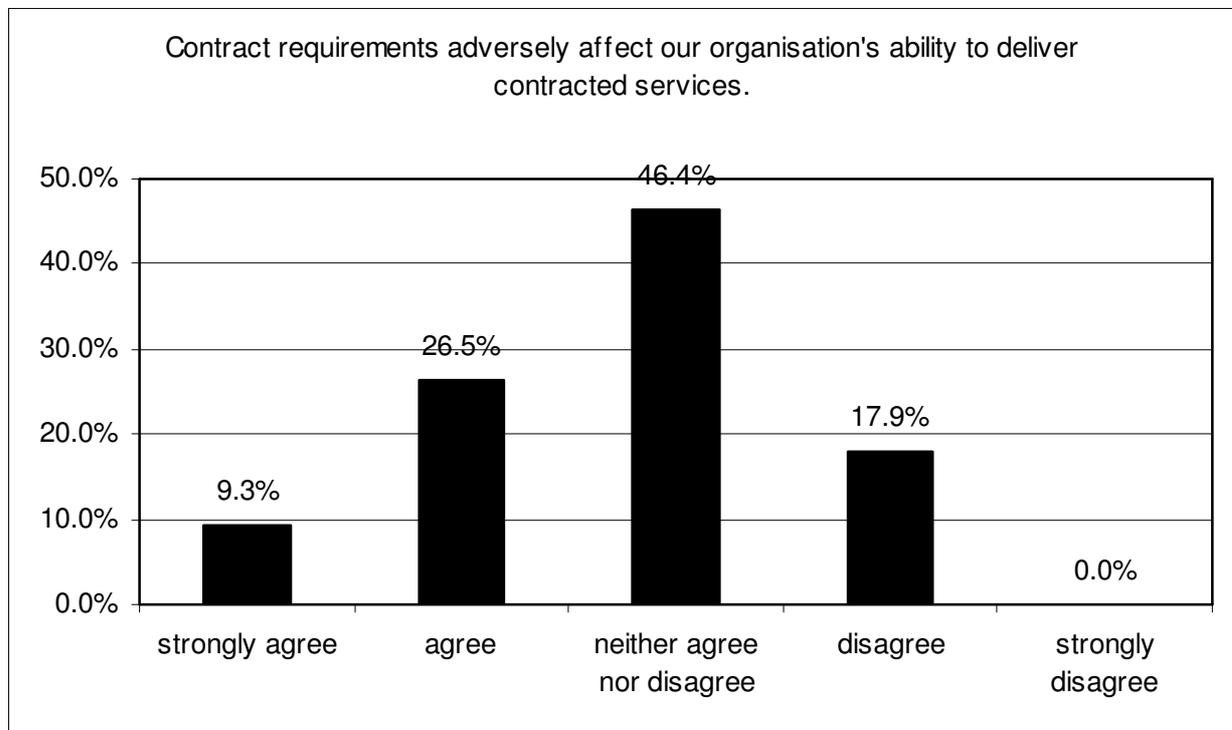
Effect of contract requirements on organisations' ability to deliver contracted services

Thirty-seven per cent of respondents agreed that contract requirements adversely affected their organisation's ability to deliver contracted services, and 17% disagreed with this statement. The remaining 46% neither agreed nor disagreed.

Figure 2.9: Effect of contract requirements: proportion agree/disagree with statement: 'contract requirements adversely affect our organisation's ability to deliver contracted services' (NSW)

N= 151

Contract requirements adversely affect our organisation's ability to deliver contracted services.

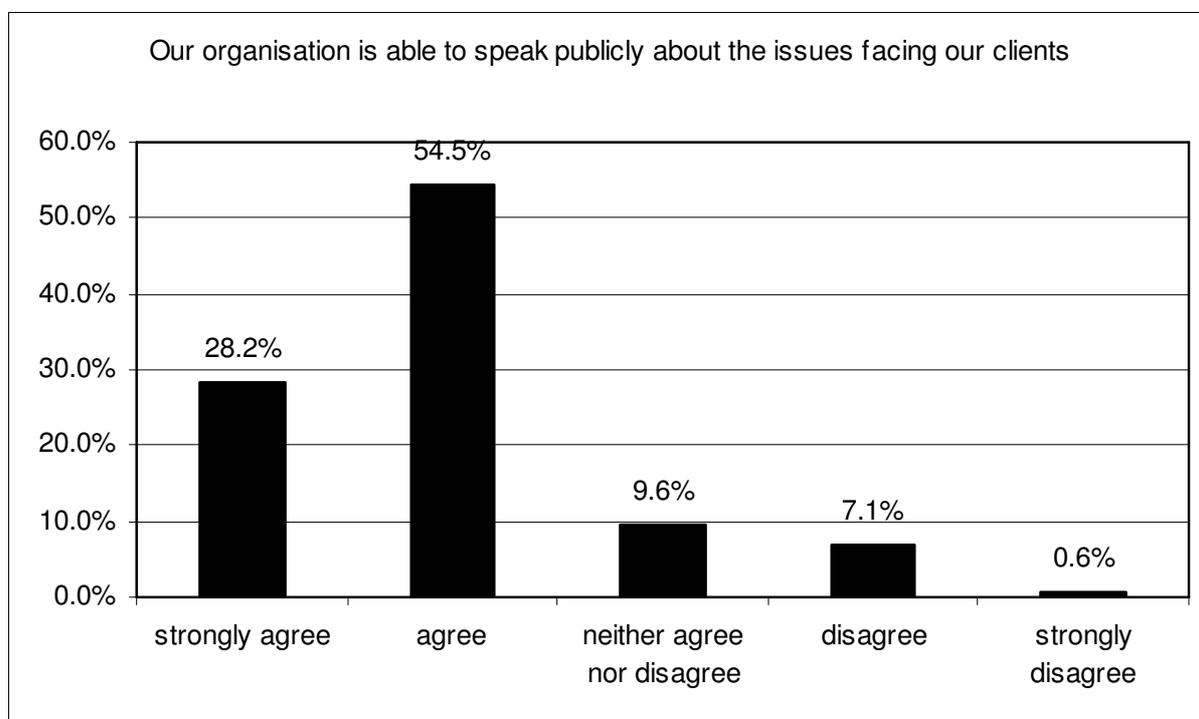| Response	Percentage
strongly agree	9.3%
agree	26.5%
neither agree nor disagree	46.4%
disagree	17.9%
strongly disagree	0.0%

The advocacy role of community organisations

Of the 156 respondents to this question, a clear majority (82%) indicated that they were able to speak publicly about issues affecting their clients. Only 7% disagreed and another 9% neither agreed nor disagreed.

Figure 2.10: Ability to speak publicly: proportion agree/disagree with statement: 'our organisation is able to speak publicly about the issues facing our clients' (NSW)

N= 156

Tax Status

The tax concessions available to community service organisations depend on the purposes and activities of individual organisations and on how the Australian Taxation Office and State Government entities interpret the law governing charities and related organisations.

Tax concessions can be very valuable to individual organisations, running from exemptions from paying income tax to Fringe Benefits Tax (FBT) exemptions which enable employers to offer employees 'salary packages' which include untaxed non-cash benefits.

Status as a Public Benevolent Institution attracts particularly generous concessions, including exemptions from FBT. Status as a Deductible Gift Recipient (DGR) not only makes gifting to these organisations attractive but is a pre-condition for funding by most philanthropic bodies.

The tax status of survey respondents is mixed with 30.2% of organisation reporting having PBI or DGR status or both, 44.2% reporting that they were an Income Tax Exempt Charity (ITEC) only, and 5.8% reporting that they had none of these statuses.

Table 2.6: Tax status (NSW)

Tax Status	Number of organisations	Percentage
ITEC	38	44.2%
ITEC, PBI, & DGR	15	17.4%
PBI	15	17.4%
DGR	6	7.0%
PBI and DGR	5	5.8%
ITEC and PBI	2	2.3%
None of the above	5	5.8%
Total	**86**	**100%**

Queensland

Survey results

The ACSS 2009 was completed by 156 agencies in Queensland who provided information about their activities over the financial years 2006-07 and 2007-08.

Service coverage

In terms of geographic coverage, 23.1% of respondent agencies provided services within a regional centre and 5.1% in a remote area.[28] Among the other geographic categories:

- 12.8% provide services primarily in a rural centre
- 9% provide services primarily in an inner metropolitan area
- 12.8% provide services primarily in another metropolitan area
- 19.9% provide services primarily across a region
- 9.6% provide services primarily across the state
- 3.8% provide services primarily across the nation

Service use

Demand for services

In 2007-08 respondent agencies provided services to 537,641 people, which is a 19% increase on the number of people who received a service in 2006-07 (448,498).

In 2007-08 respondent agencies turned away 84,359 people, a 5.6% decrease on the number of people turned away in 2006-07 (89,352).

Perceptions of demand

When demand for services outstrips the capacity to supply these services, many organisations will implement tighter targeting measures as a way of limiting this demand, and utilising constrained resources in the most equitable manner. Governmental policy, through funding and other arrangements, can also require that organisations target their services more narrowly.

With more tightly targeted service delivery aimed at rationing finite resources, many organisations will experience increased complexity in client needs. This increased complexity can have a significant impact on organisational workloads if appropriate resources are not made available.
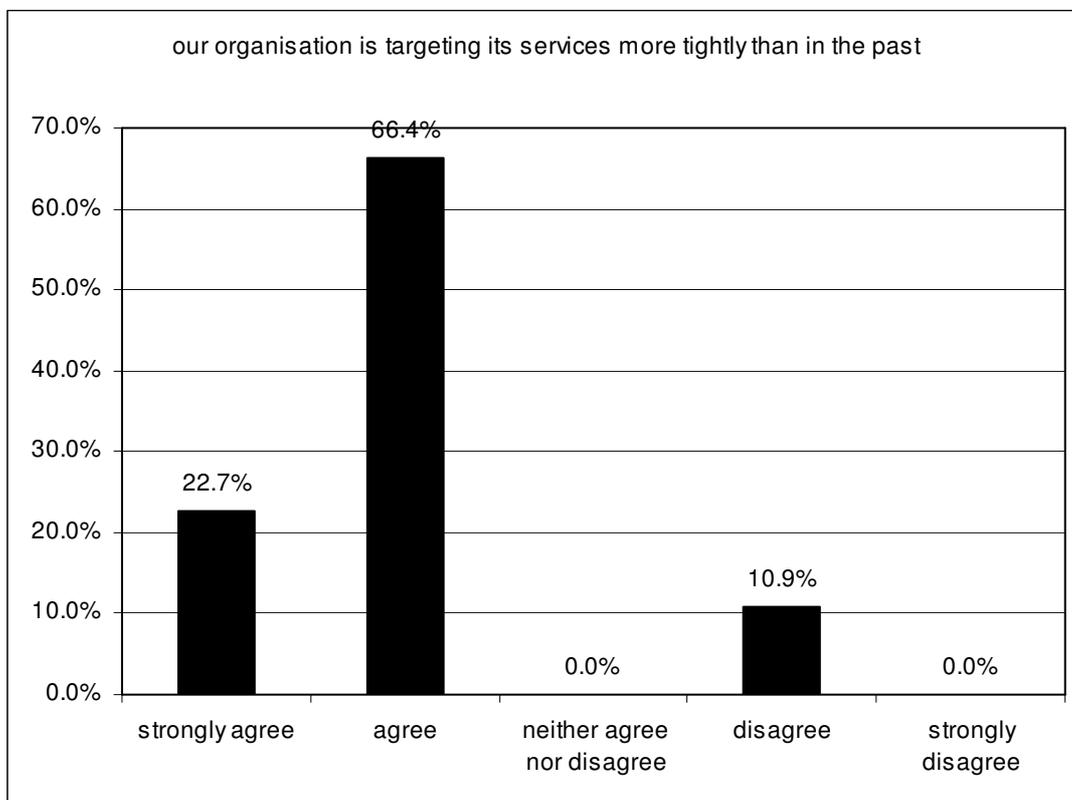
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[28] Number of respondents to this question (N) = 156.

Any change in service targeting is, therefore, an important gauge of both demand for services, and organisational resources relative to this demand.

Eighty-nine per cent of respondents agreed that their organisation was targeting services more tightly than in the past.

Figure 3.1: Targeting services: proportion agree/disagree with statement:
'this organisation is targeting our services more tightly than in the past' (QLD)

N=119

our organisation is targeting its services more tightly than in the past

strongly agree	agree	neither agree nor disagree	disagree	strongly disagree
22.7%	66.4%	0.0%	10.9%	0.0%

What services are needed?

Agencies were asked to list, in priority order, the services most needed by their clients (other than the services provided by their own agency). Long term housing and crisis and supported accommodation services were clearly identified as the services most needed by the clients of community service and welfare agencies. These were followed by health care services (including mental health and drugs and alcohol services) and family relationship services.

Table 3.1: Client need by service type 2007-08 (QLD)

N= 70

Service type	Ranking score[29]	Number of times ranked most important	% of respondents who ranked this service in the top five most important
Long term housing	1	17	71%
Crisis and supported accommodation	2	12	59%
Health care (including mental health and drug and alcohol services)	3	5	68%
Family relationship services	4	4	42%
Income support	5	2	63%
Legal services	6	7	37%
Transport	7	6	37%
Child care	8	6	14%
Aged and disability services	9	4	24%
Domestic violence/ sexual assault services	10	2	32%
Child welfare services	11	2	24%
Employment, education and training programs	12	1	37%
Cultural, arts, recreation, sporting, information and social activities	13	2	10%
Assistance with the cost of utilities (energy, water, telecommunications)	14	0	34%

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[29] Ranking is determined by adding the number of times respondents marked a service type as the most important, second most important and third most important.

Delivery

Character of the workforce

Paid staff

In 2007-08 respondent organisations employed 3,365.1 paid staff (Full Time Equivalent).

Volunteer staff

In 2007-08 respondent organisations engaged 996 volunteer service delivery workers.

Larger organisations tend to have a larger proportion of paid staff, although organisations of all sizes still utilise large numbers of volunteers.

It is noteworthy that organisations of all sizes are governed primarily by volunteer boards.

Staff hiring and leaving

There was an overall increase of 19.35 Full Time Equivalent (FTE) employees working in respondent organisations during 2007-08. This represents an increase of 0.7% on the total number of paid staff.

Table 3.3: Staff hired and left 2007-08 (QLD)

Employee category	Hired (FTE)	Left (FTE)	Difference (FTE)
Management	65	61	4
Service worker	846.8	851.8	-5
Clerical/administration	123.95	103.6	20.35
Total	1035.75	1016.4	19.35

Staff turnover

Staff turnover is a function of the number of staff leaving over the number of staff employed. In 2007-08, respondent agencies employed 1,035.75 full time equivalent staff and lost 1016.4 full time equivalent staff. Average staff turnover across respondent agencies is therefore equivalent to 35.3%.

Additional work

One way that agencies can increase their capacity to meet excess demand is to try to squeeze more out of existing resources, which includes the use of increased volunteer and unpaid staff labour. Fifty-eight per cent of respondents agreed that they had increased the number of paid hours worked by staff in 2007-08. Ninety-two per cent of agencies agreed that the unfunded work by staff and volunteers had increased between 2006-07 and 2007-08.

Figure 3.5: Use of paid work: proportion agree/disagree with statement: 'this year we have increased the number of paid hours worked by staff' (QLD)

N= 121

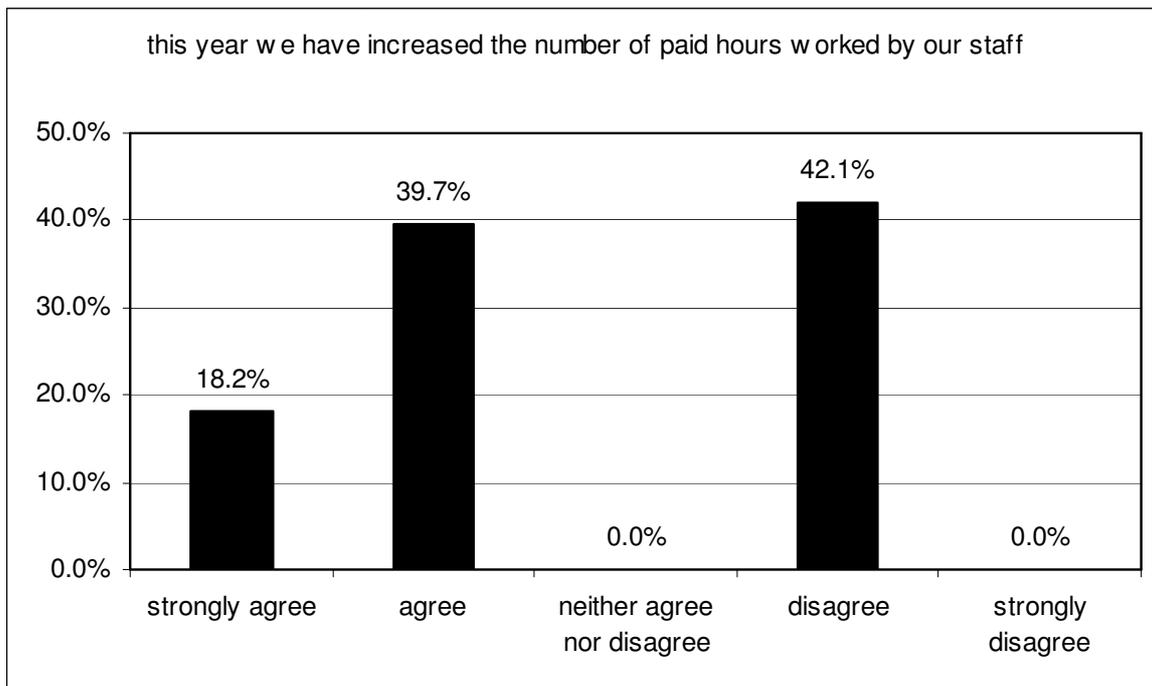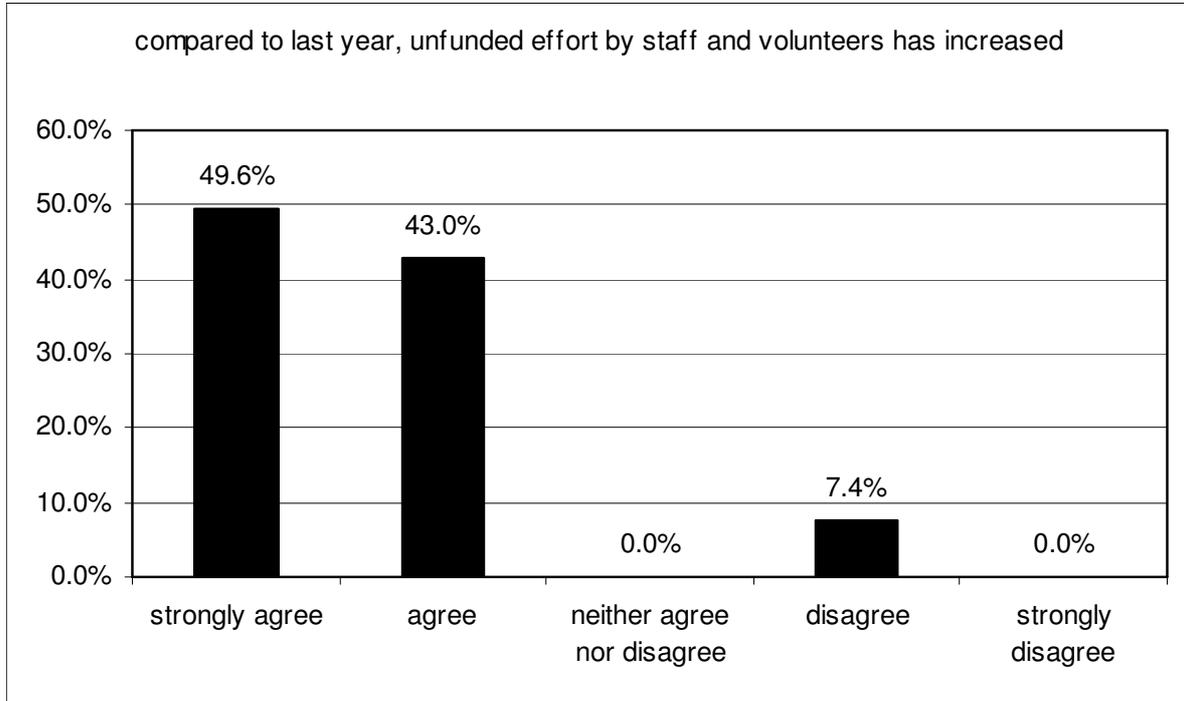this year we have increased the number of paid hours worked by our staff

Figure 3.6: Use of unpaid work: proportion agree/disagree with statement: 'compared to last year unfunded work by staff and volunteers has increased' (Qld)

N= 121

compared to last year, unfunded effort by staff and volunteers has increased

	strongly agree	agree	neither agree nor disagree	disagree	strongly disagree
	49.6%	43.0%	0.0%	7.4%	0.0%

Attracting appropriately qualified staff

Sixty-six per cent of respondents indicated that they had experienced difficulty attracting appropriately qualified staff in the past year compared to 34% who had no difficulty.[30]

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[30] N=74.

Income and Expenditure

The capacity to recruit, pay, train and support a high quality workforce depends largely on the financial capacity of the industry.

As Table 3.4 shows, income has increased over the year by $19 million and operating expenses by $14 million. This has increased the overall surplus by $5 million to $3.3 million, or 2.1% of total income.

Table 3.4: Income and Expenditure 2006-07 & 2007-08 (QLD)

Year	Total operating expenses[31] ($ millions)	Total income ($ millions)	Deficit/Surplus ($ millions)
2007-08	151	154	3.3
2006-07	137	135	-1.7
Difference	14	19	5.0

Income

Agencies have reported an 0.8 % decrease in overall income between 2006-07 and 2007-08.

- 20.1% increase in Commonwealth Government funding, representing 43.7% of total income
- 10.8% increase in State Government funding, representing 29.2% of total income
- 81.6% decrease in local government funding, representing 0.1% of total income
- 1.9% increase in client fee incomes, representing 4.1% of total income
- 21.2% increase in agency own source income, representing 19.6% of total income

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[31] N= 156.

Adequacy of Government funding to meet cost of contracted services

Eighty-five per cent of respondents disagreed with the statement that 'Government funding covers the true cost of delivering contracted services'.[32] Only 8% expressed the view that funding was adequate, with 6% neither agreeing nor disagreeing.

Figure 3.7: Adequacy of government funding: proportion agree/disagree with statement: 'Government funding covers the true cost of delivering contracted services' (Qld)

N= 152

government funding covers the true cost of delivering contracted services
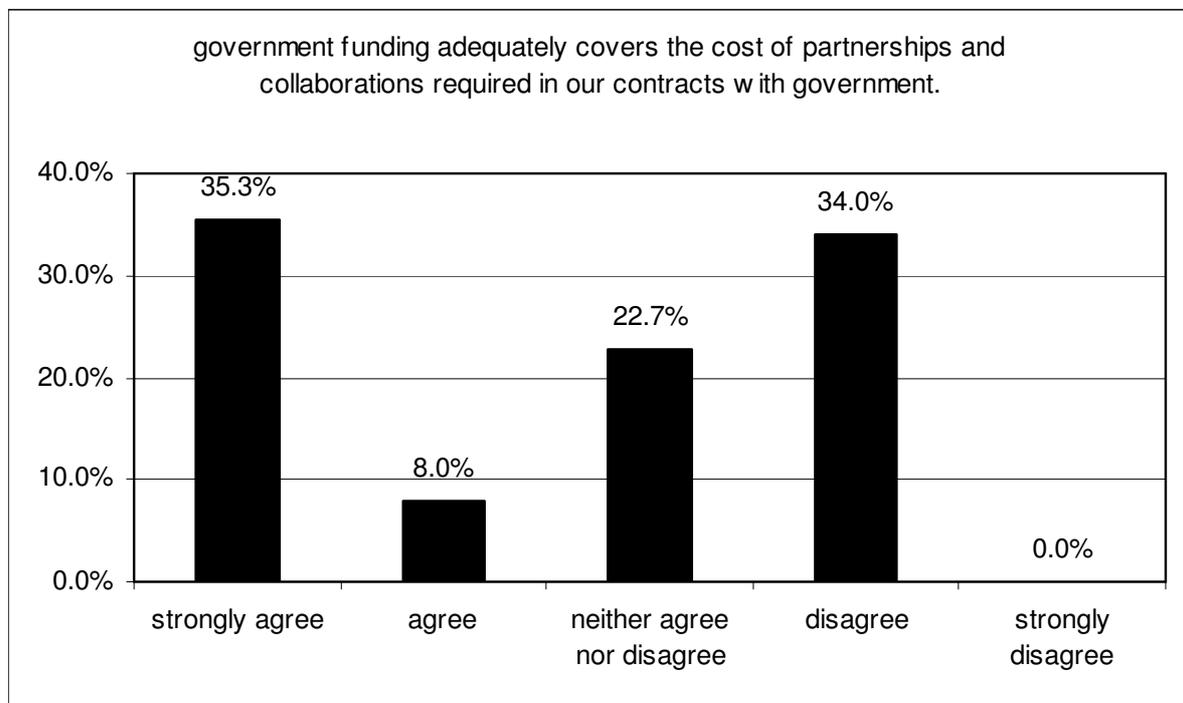
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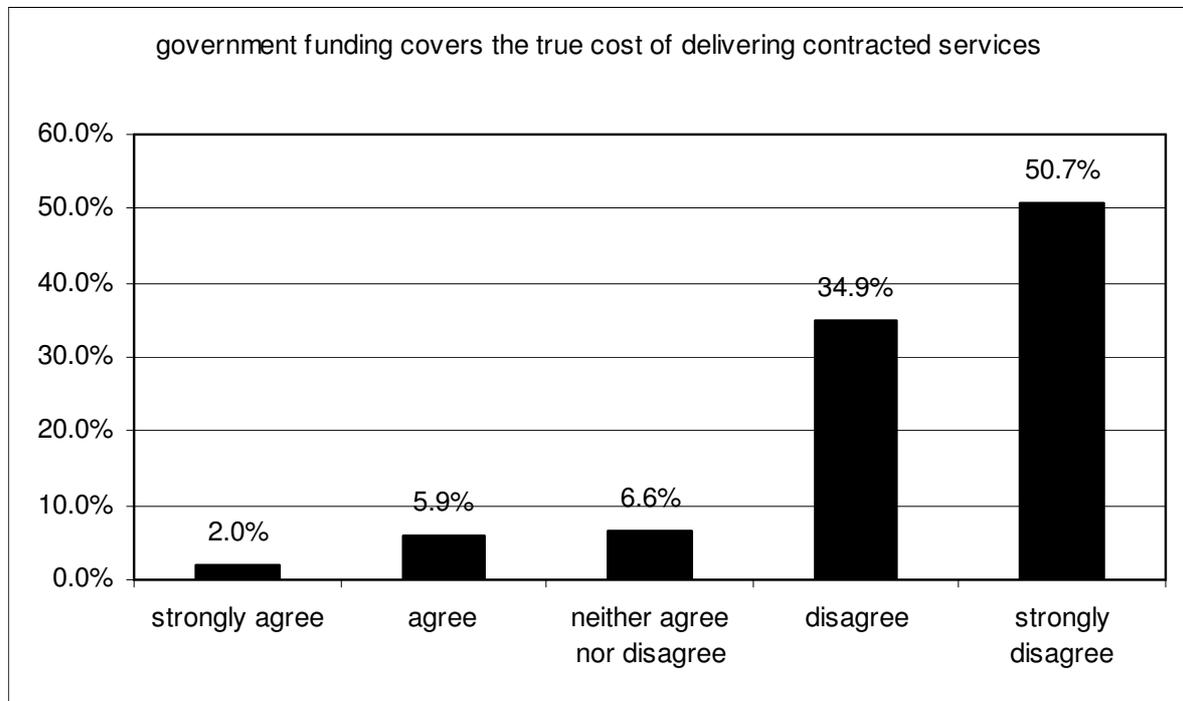
[32] N=152.

Adequacy of Government funding to cover cost of partnerships and collaborations

Respondents were split on the question of whether their funding adequately covered the costs of partnerships and collaborations stipulated in contracts with government with 43% agreeing and 34% disagreeing.

Figure 3.8: Adequacy of government funding regarding cost of partnerships: proportion agree/disagree with statement: 'Government funding adequately covers the cost of partnerships and collaborations required in our contracts with government' (Qld)

N= 150

government funding adequately covers the cost of partnerships and collaborations required in our contracts with government.

| strongly agree	agree	neither agree nor disagree	disagree	strongly disagree
35.3%	8.0%	22.7%	34.0%	0.0%

Effect of contract requirements on organisations' ability to deliver contracted services

Respondents were also divided over the effect of contract requirements on organisations' ability to deliver contracted services. While 29% of respondents agreed that contract requirements adversely affected their organisation's ability to deliver contracted services, 25% disagreed with this statement. The remaining 45% neither agreed nor disagreed.

Figure 3.9: Effect of contract requirements: proportion agree/disagree with statement: 'contract requirements adversely affect our organisation's ability to deliver contracted services' (Qld)
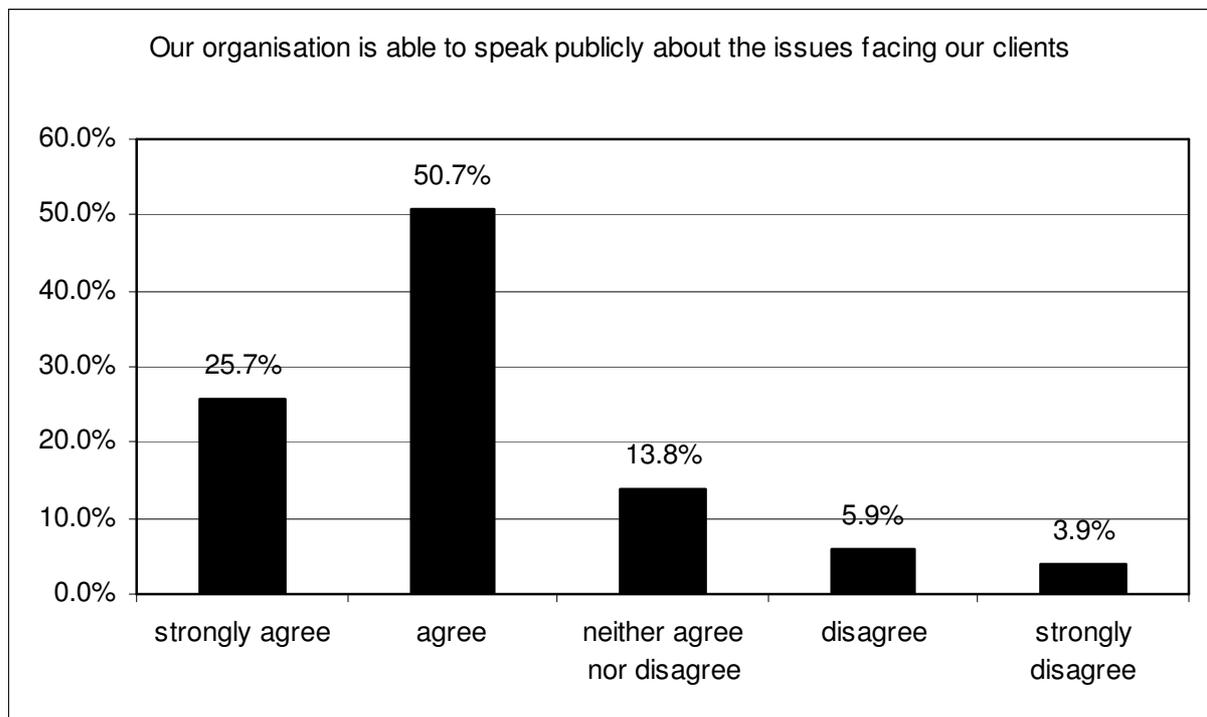
N= 140
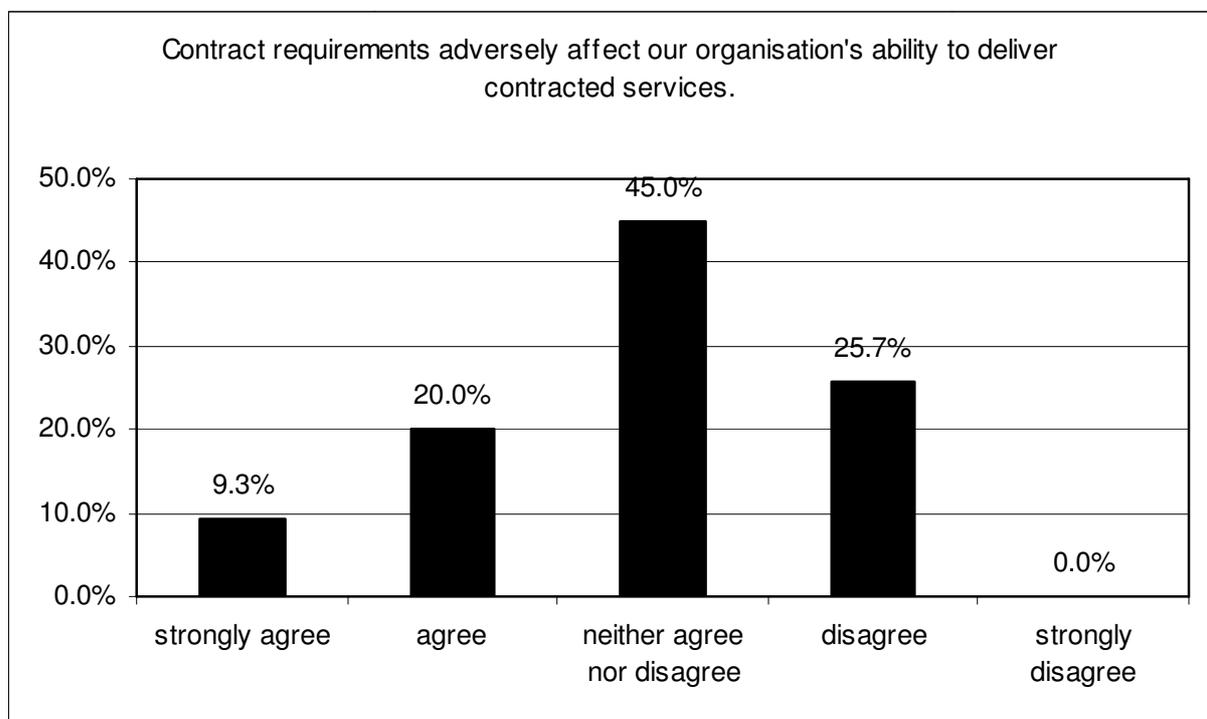
The advocacy role of community organisations

Of the 152 respondents to this question, a clear majority (76%) indicated that they were able to speak publicly about issues affecting their clients. Only 10% disagreed and another 14% neither agreed nor disagreed.

Figure 3.10: Ability to speak publicly: proportion agree/disagree with statement: 'our organisation is able to speak publicly about the issues facing our clients' (Qld)

N= 152

Our organisation is able to speak publicly about the issues facing our clients

Tax Status

The tax concessions available to community service organisations depend on the purposes and activities of individual organisations and how the Australian Taxation Office and State Government entities interpret the law governing charities and related organisations.

Tax concessions can be very valuable to individual organisations, running from exemptions from paying income tax to Fringe Benefits Tax (FBT) exemptions which enable employers to offer employees 'salary packages' which include untaxed non-cash benefits.

Status as a Public Benevolent Institution attracts particularly generous concessions, including exemptions from FBT. Status as a Deductible Gift Recipient (DGR) not only makes gifting to these organisations attractive but is a pre-condition for funding by most philanthropic bodies.

The tax status of survey respondents is mixed with 31.3% of organisation reporting having PBI or DGR status or both, 44.6% reporting that they were an Income Tax Exempt Charity (ITEC) only, and 6% reporting that they were none of these.

Table 3.6: Tax status (Qld)

Tax Status	Number of organisations	Percentage
ITEC	37	44.6%
ITEC, PBI, & DGR	15	18.1%
PBI	20	24.1%
DGR	3	3.6%
PBI and DGR	3	3.6%
ITEC and PBI	0	0.0%
None of the above	5	6.0%
Total	83	100

Victoria

Survey results

The ACSS 2009 was completed by 92 agencies in Victoria who provided information about their activities over the financial years 2006-07 and 2007-08.

Service coverage

In terms of geographic coverage, 17.4% of respondent agencies provided services across Victoria and 12% across a region.[33] Among the other geographic categories:

- 16.3% provided services primarily in an inner metropolitan area
- 17.4% provided services primarily in another metropolitan area
- 8.7% provided services primarily in a regional centre
- 6.5% provided services primarily in a rural centre
- 1.1% provided services primarily in a remote area.

Service use

Demand for services

In 2007-08 respondent agencies provided services to 251,764 people, which is a 13.1% increase on the number of people who received a service in 2006-07 (222,679).

In 2007-08 respondent agencies turned away 21,420 people who were eligible for the service, which is a 0.3% decrease on the number of people turned away in 2006-07 (21,483).

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[33] Number of respondents to this question (N) = 92.

Perceptions of demand

Service targeting

When demand for services outstrips the capacity to supply these services, many organisations will implement tighter targeting measures as a way of limiting this demand, and utilising constrained resources in the most equitable manner. Governmental policy, through funding and other arrangements, can also require that organisations target their services more narrowly.

With more tightly targeted service delivery aimed at rationing finite resources, many organisations will experience increased complexity in client needs. This increased complexity can have a significant impact on organisational workloads if appropriate resources are not made available.

Any change in service targeting is, therefore, an important gauge of both demand for services, and organisational resources relative to this demand.

Eighty-five per cent of respondents agreed that their organisation was targeting services more tightly than in the past.

**Figure 4.1: Targeting services: proportion agree/disagree with statement:
'this organisation is targeting our services more tightly than in the past' (VIC)**

N= 75
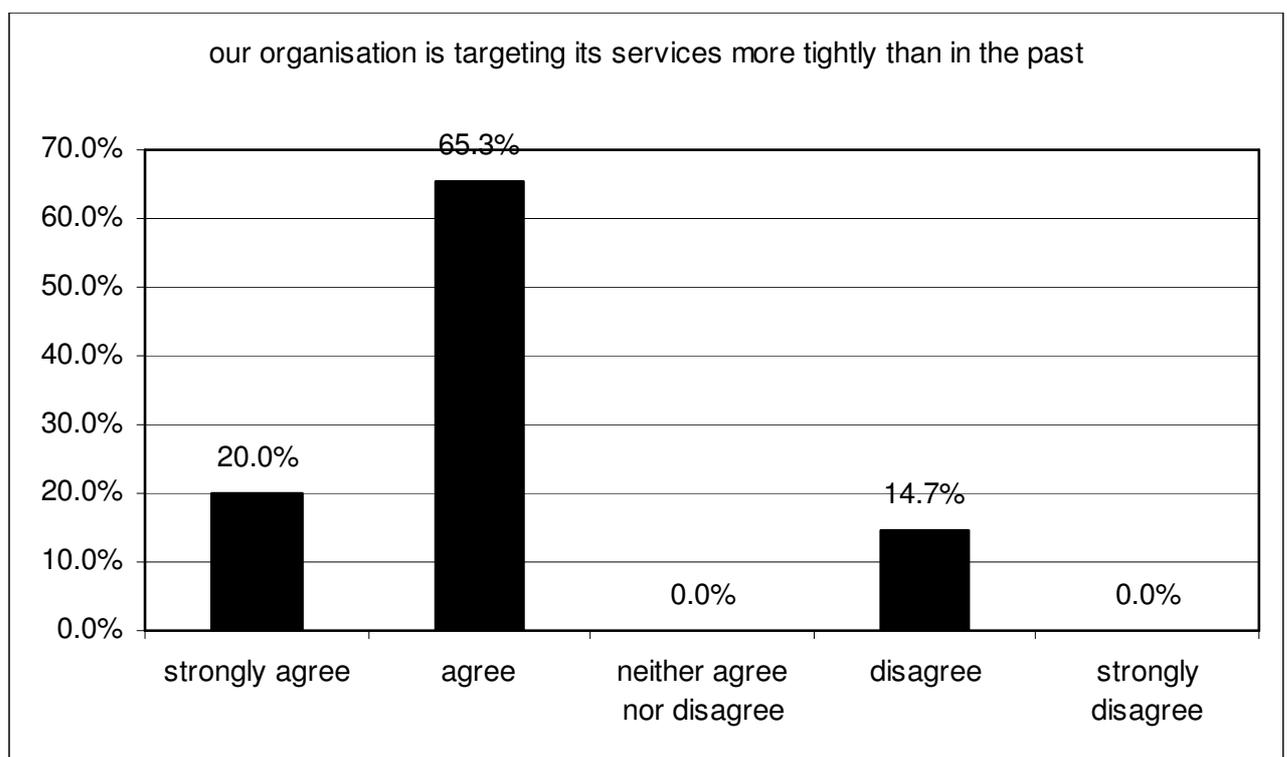
What services are needed?

Agencies were asked to list, in priority order, the services most needed by their clients (other than the services provided by their own agency).

Long term housing and crisis and supported accommodation were identified as the services most needed by the clients of community service and welfare agencies. These were followed by aged and disability services and income support.

Table 4.1: Client need by service type 2007-08 (VIC)

Service type	Ranking score[34]	Number of times ranked most important	% of respondents who ranked this service in the top five most important
Long term housing	1	7	73%
Crisis and supported accommodation	2	4	72%
Aged and disability services	3	8	55%
Income support	4	5	63%
Employment, education and training programs	5	3	52%
Health care (including mental health and drug and alcohol services)	6	2	60%
Domestic violence/ sexual assault services	7	2	42%
Transport	8	4	45%
Child care	9	4	27%
Legal services	10	2	19%
Cultural, arts, recreation, sporting, information and social activities	11	1	28%
Assistance with the cost of utilities (energy, water, telecommunications)	12	3	36%
Child welfare services	13	1	21%
Family relationship services	14	0	41%

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[34] Ranking is determined by adding the number of times respondents marked a service type as the most important, second most important and third most important.

Delivery

Character of the workforce

Paid staff

In 2007-08 respondent organisations employed 4,231 paid staff (Full Time Equivalent).

Volunteer staff

In 2007-08 respondent organisations engaged 9,226 volunteer service delivery workers.

Larger organisations tend to have a larger proportion of paid staff, although organisations of all sizes still utilise large numbers of volunteers.

It is noteworthy that organisations of all sizes are governed primarily by volunteer boards.

Staff hiring and leaving

There was an overall increase of 198.4 Full Time Equivalent (FTE) employees working in respondent organisations during 2007-08. This represents an increase of 8.5% on the total number of paid staff.

Table 2.3: Staff hired and left 2007-08 (VIC)

Employee category	Hired (FTE)	Left (FTE)	Difference (FTE)
Management	57.4	29.0	28.4
Service worker	387.9	244.8	143.0
Clerical/administration	54.9	27.9	27.1
Total	500.1	301.6	198.4

Staff turnover

Staff turnover is a function of the number of staff leaving over the number of staff employed.   In 2007-08, respondent agencies employed 500.1 full time equivalent staff and lost 301.6 full time equivalent staff.   Average staff turnover across respondent agencies is therefore equivalent to 12.9%.

Additional work

One way that agencies can increase their capacity to meet excess demand, is to try to squeeze more out of existing resources, which includes the use of increased volunteer and unpaid staff labour. Sixty-six per cent of respondents agreed that they had increased the number of paid hours worked by staff in 2007-08.

Ninety-three per cent of agencies agreed that the unfunded work by staff and volunteers had increased between 2007-08 and 2006-07.

Figure 4.5: Use of paid work: proportion agree/disagree with statement: 'this year we have increased the number of paid hours worked by staff' (VIC)
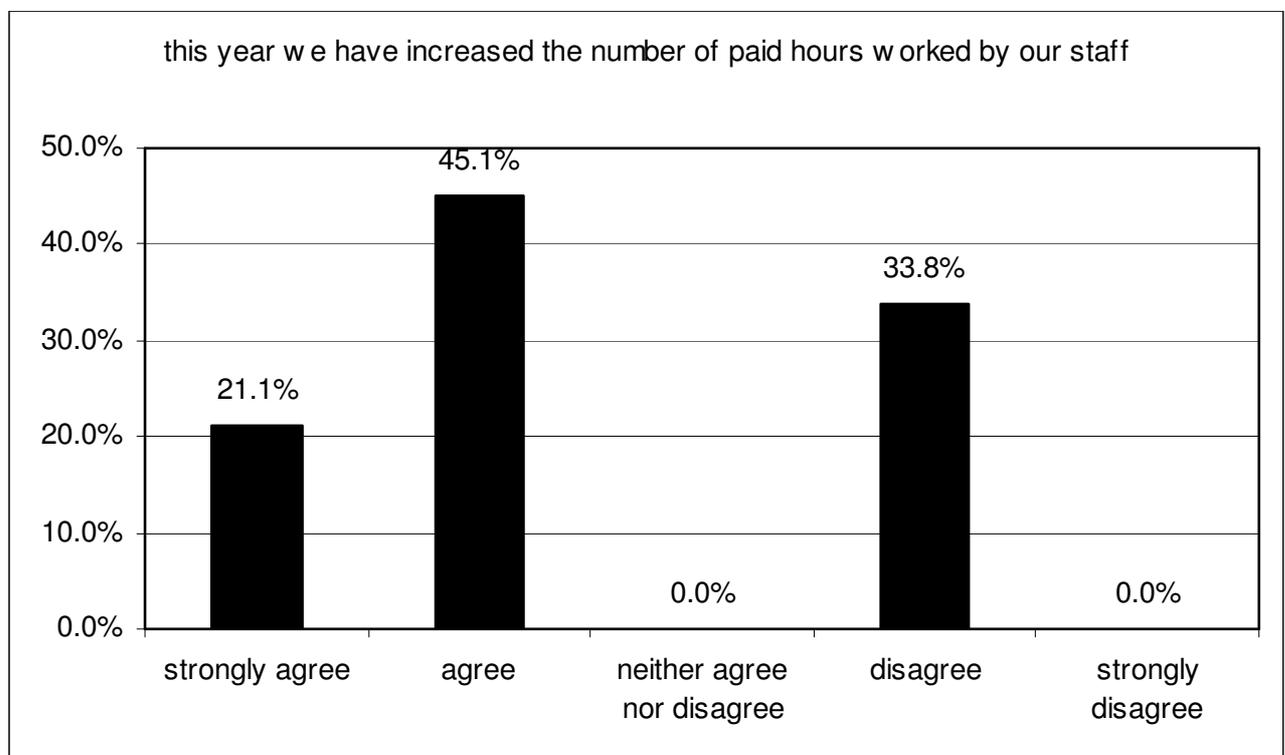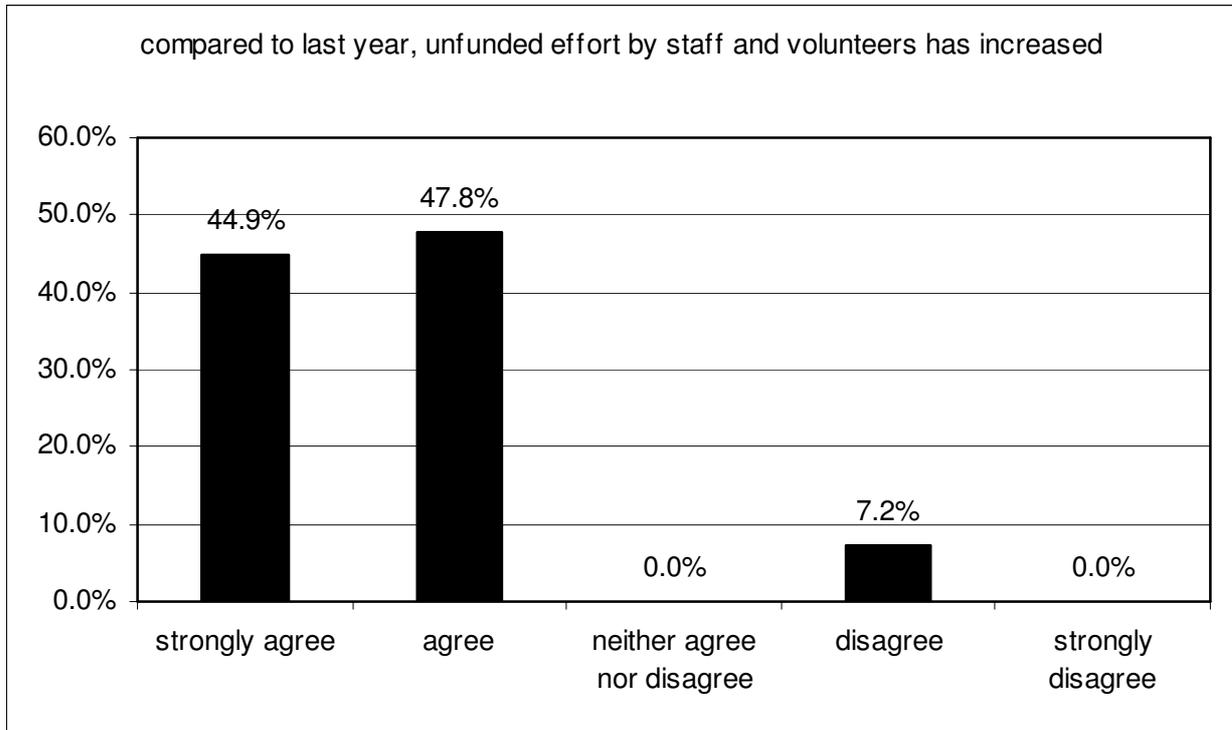
N= 71

Figure 4.6: Use of unpaid work: proportion agree/disagree with statement: 'compared to last year unfunded work by staff and volunteers has increased' (VIC)

N= 69

compared to last year, unfunded effort by staff and volunteers has increased

Attracting appropriately qualified staff

Sixty per cent of respondents indicated that they had experienced difficulty attracting appropriately qualified staff in the past year compared to 40% who had no difficulty.[35]

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[35] N=46.

Income and Expenditure

The capacity to recruit, pay, train and support a high quality workforce depends largely on the financial capacity of the industry.

As Table 4.4 shows, income has increased over the year by $15.7 million and operating expenses by $23.2 million. This has increased the overall deficit by $14.6 million to $15.0 million, or 5.6% of total income.

Table 4.4: Income and Expenditure 2006-07 & 2007-08 (VIC)

Year	Total operating expenses[36] ($ millions)	Total income ($ millions)	Deficit/Surplus ($ millions)
2007-08	283.9	268.9	-15.0
2006-07	260.7	260.3	-0.4
Difference	23.2	15.7	-14.6

Income

Agencies have secured a 3.3% increase in overall income between 2006-07 and 2007-08. Funding came from the following major sources:
- 13.2% increase in commonwealth funding, representing 21.2% of total income
- 4.1% increase in state/ territory funding, representing 40.7% of total income
- 546.7% increase in local government funding, representing 0.6% of total income
- 45.4% decrease in client fee income, representing 8.7% of total income
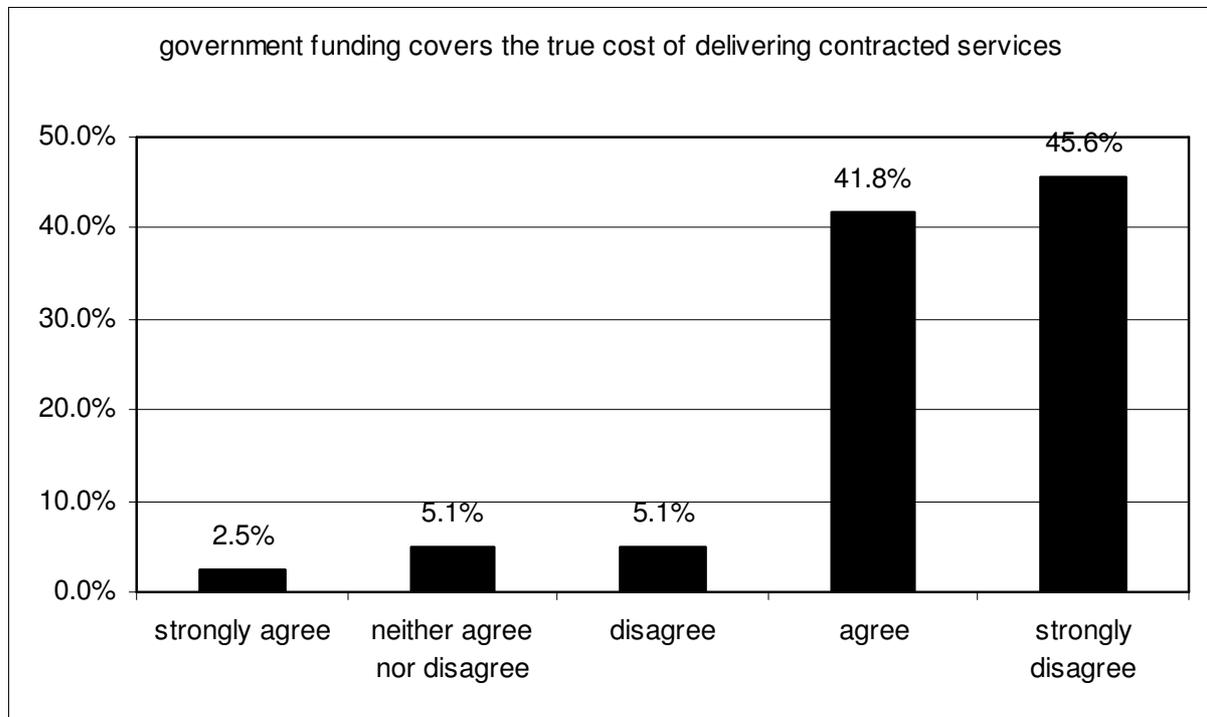- 25.1% increase in own income, representing 28.8% of total income

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[36] N= 62

Adequacy of Government funding to meet cost of contracted services

Eighty-seven per cent of respondents disagreed with the statement that 'Government funding covers the true cost of delivering contracted services'.[37]

Figure 4.7: Adequacy of government funding: proportion agree/disagree with statement: 'Government funding covers the true cost of delivering contracted services' (VIC)

N= 79

government funding covers the true cost of delivering contracted services

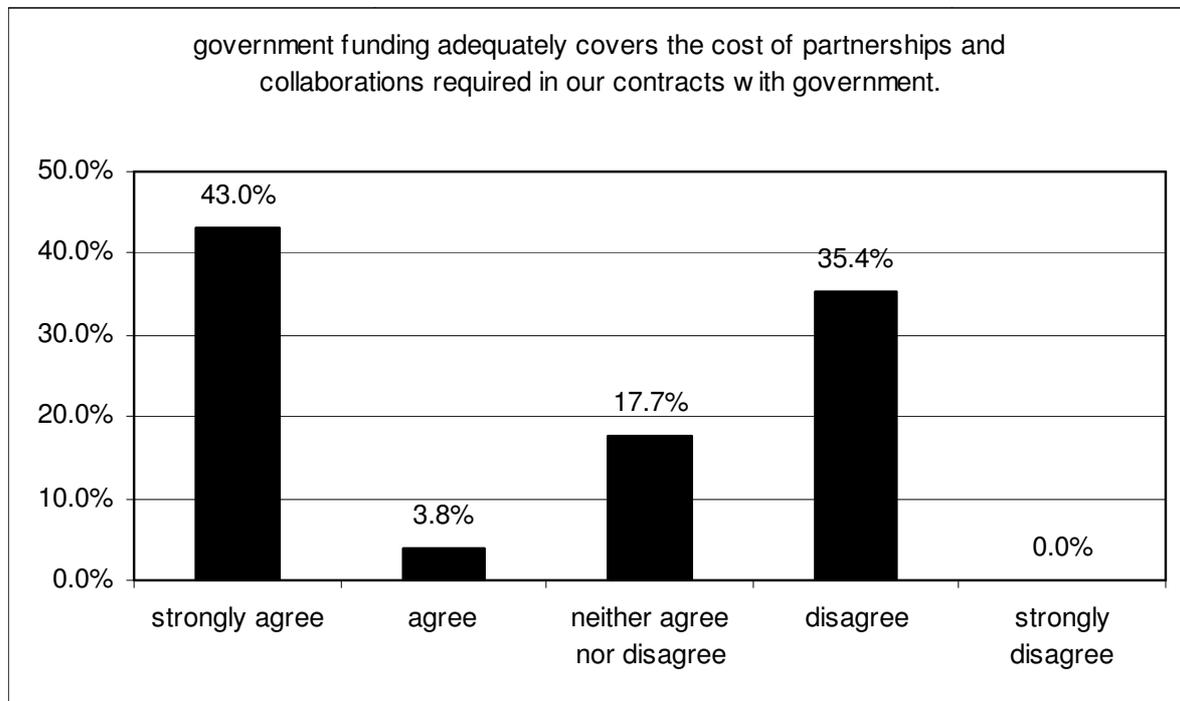|	
strongly agree	2.5%
neither agree nor disagree	5.1%
disagree	5.1%
agree	41.8%
strongly disagree	45.6%

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[37] N=79.

Adequacy of Government funding to cover cost of partnerships and collaborations

Respondents were split on the question of whether their funding adequately covered the costs of partnerships and collaborations stipulated in contracts with government with 46.7% agreeing and 35.4% disagreeing.

Figure 4.8: Adequacy of government funding regarding cost of partnerships: proportion agree/disagree with statement: 'Government funding adequately covers the cost of partnerships and collaborations required in our contracts with government' (VIC)

N= 79

government funding adequately covers the cost of partnerships and collaborations required in our contracts with government.

Effect of contract requirements on organisations' ability to deliver contracted services

Respondents were also divided over the effect of contract requirements on organisations' ability to deliver contracted services. While 40.6% of respondents agreed that contract requirements adversely affected their organisation's ability to deliver contracted services, 16.2% disagreed with this statement. The remaining 43.2% neither agreed nor disagreed.

Figure 4.9: Effect of contract requirements: proportion agree/disagree with statement: 'contract requirements adversely affect our organisation's ability to deliver contracted services' (VIC)

N= 79

Contract requirements adversely affect our organisation's ability to deliver contracted services.
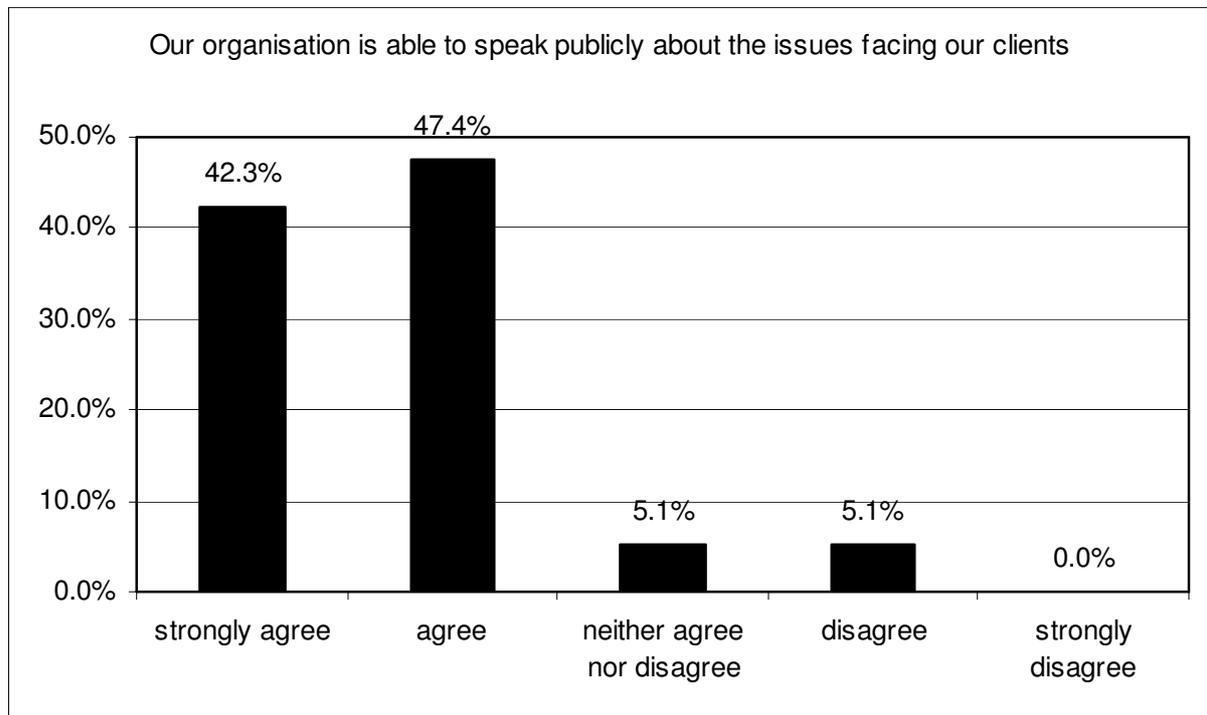

59
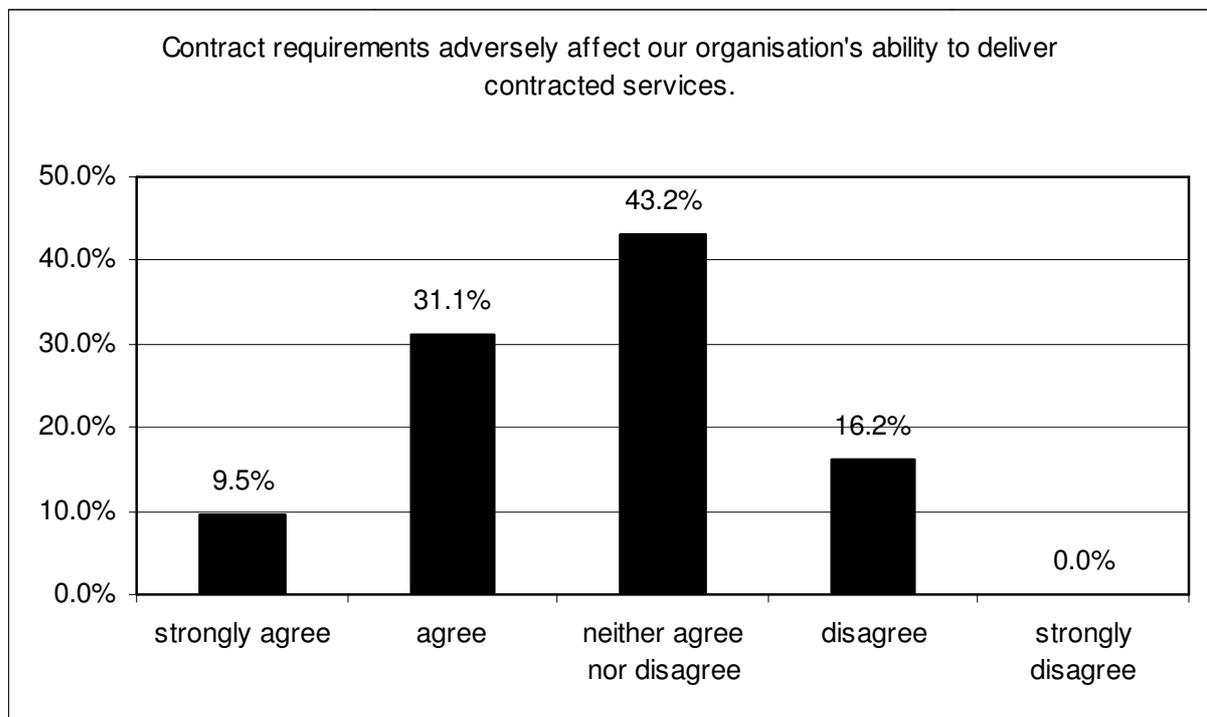
The advocacy role of community organisations

A clear majority of respondents (89.7%) indicated that they were able to speak publicly about issues affecting their clients. Only 5.1% disagreed and another 5.1% neither agreed nor disagreed.

Figure 4.10: Ability to speak publicly: proportion agree/disagree with statement: 'our organisation is able to speak publicly about the issues facing our clients' (VIC)

N= 79

Our organisation is able to speak publicly about the issues facing our clients

Tax Status

The tax concessions available to community service organisations depend on the purposes and activities of individual organisations and how the Australian Taxation Office and State Government entities interpret the law governing charities and related organisations.

Tax concessions can be very valuable to individual organisations, running from exemptions from paying income tax to Fringe Benefits Tax (FBT) exemptions which enable employers to offer employees 'salary packages' which include untaxed non-cash benefits.

Status as a Public Benevolent Institution attracts particularly generous concessions, including exemptions from FBT. Status as a Deductible Gift Recipient (DGR) not only makes gifting to these organisations attractive but is a pre-condition for funding by most philanthropic bodies.

The tax status of survey respondents is mixed with 29.5% of organisation reporting having PBI or DGR status or both, 39.2% reporting that they were an Income Tax Exempt Charity (ITEC) only, and 7.8% reporting that they were none of these.

Table 4.6: Tax status (VIC)

Tax Status	Number of organisations	Percentage
ITEC	20	39.2%
ITEC, PBI, & DGR	11	21.6%
PBI	8	15.7%
DGR	6	11.8%
PBI and DGR	1	2.0%
ITEC and PBI	1	2.0%
None of the above	4	7.8%
Total	**51**	**100%**

Tasmania

Survey results

The ACSS 2009 was completed by 49 agencies in Tasmania who provided information about their activities over the financial years 2006-07 and 2007-08.

Service coverage

In terms of geographic coverage, 42.9% of respondent agencies provided services across Tasmania and 24.5% across a region.[38] Among the other geographic categories:

- 14.3% provided services primarily in a regional centre
- 6.1% provided services primarily in a rural centre
- 2.0% provided services in an inner metropolitan area
- 6.1% provided services primarily in another metropolitan area
- 2.0% provided services primarily in a remote area.

Service use

Demand for services

In 2007-08 respondent agencies provided services to 458,474 people, which is a 2.6% increase on the number of people who received a service in 2006-07 (446,859).

In 2007-08 respondent agencies turned away 18,577 people who were eligible for the service, an increase 68.9% on the number of people turned away in 2006-07 (11,000).

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[38] Number of respondents to this question (N) = 49.

Perceptions of demand

When demand for services outstrips the capacity to supply these services, many organisations will implement tighter targeting measures as a way of limiting this demand, and utilising constrained resources in the most equitable manner. Governmental policy, through funding and other arrangements, can also require that organisations target their services more narrowly.

With more tightly targeted service delivery aimed at rationing finite resources, many organisations will experience increased complexity in client needs. This increased complexity can have a significant impact on organisational workloads if appropriate resources are not made available.

Any change in service targeting is, therefore, an important gauge of both demand for services, and organisational resources relative to this demand.

Seventy-three per cent of respondents agreed that their organisation was targeting services more tightly than in the past.

Figure 8.1: Targeting services: proportion agree/disagree with statement:
'this organisation is targeting our services more tightly than in the past' (TAS)

N= 41
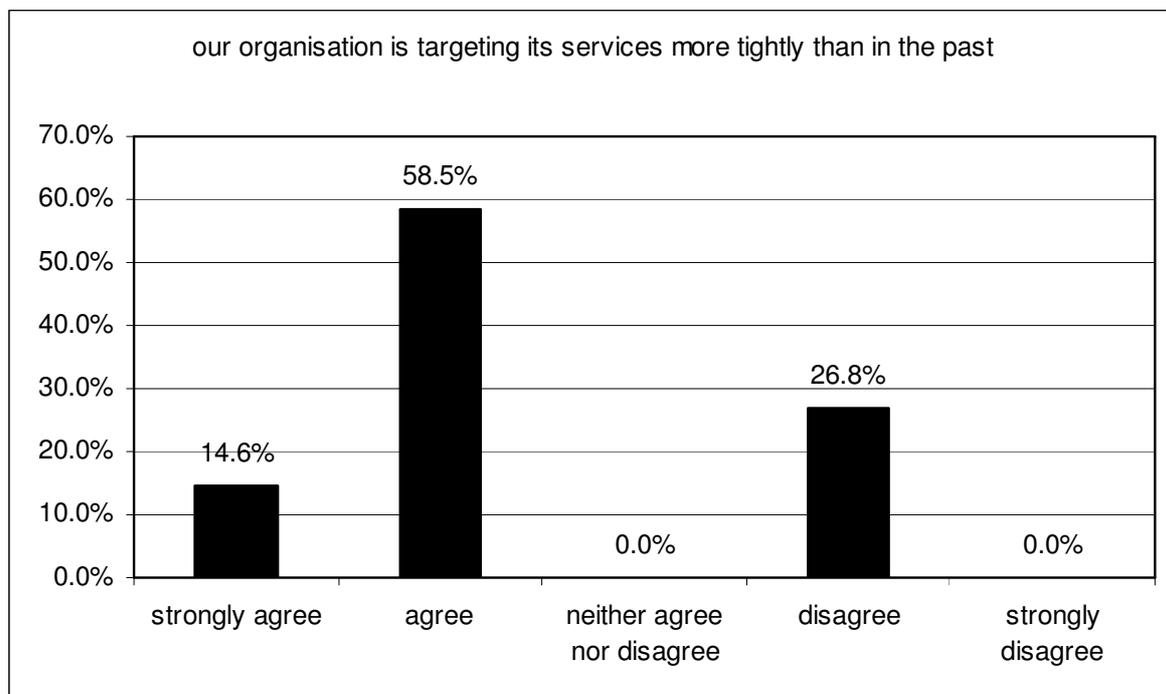
our organisation is targeting its services more tightly than in the past

What services are needed?

Agencies were asked to list, in priority order, the services most needed by their clients (other than the services provided by their own agency).

Health care (including mental health and drug and alcohol services) and aged and disability services were clearly identified as the services most needed by the clients of community service and welfare agencies. These were followed by income support and long term housing.

Table 8.1: Client need by service type 2007-08 (TAS)

N= 19

Service type	Ranking score[39]	Number of times ranked most important	% of respondents who ranked this service in the top five most important
Health care (including mental health and drug and alcohol services)	1	4	88.9%
Aged and disability services	2	6	58.8%
Long term housing	3	3	78.6%
Income support	4	1	52.9%
Crisis and supported accommodation	5	1	66.7%
Employment, education and training programs	6	2	50.0%
Cultural, arts, recreation, sporting, information and social activities	7	0	26.7%
Transport	8	0	37.5%
Family relationship services	9	1	35.7%
Domestic violence/ sexual assault services	10	1	25.0%
Child welfare services	11	0	23.1%
Child care	12	0	9.1%
Legal services	13	0	7.1%
Assistance with the cost of utilities (energy, water, telecommunications)	14	0	21.4%

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[39] Ranking is determined by adding the number of times respondents marked a service type as the most important, second most important and third most important.

Delivery

Character of the workforce

Paid staff

In 2007-08 respondent organisations employed 1,104 paid staff (Full Time Equivalent).

Volunteer staff

In 2007-08 respondent organisations engaged 994 volunteer service delivery workers.

Larger organisations tend to have a larger proportion of paid staff, although organisations of all sizes still utilise large numbers of volunteers.

It is noteworthy that organisations of all sizes are governed primarily by volunteer boards.

Staff hiring and leaving

There was an overall increase of 107.9 Full Time Equivalent (FTE) employees working in respondent organisations during 2007-08. This represents an increase of 9.8% on the total number of paid staff.

Table 8.3: Staff hired and left 2007-08 (TAS)

Employee category	Hired (FTE)	Left (FTE)	Difference (FTE)
Management	13.0	12.0	1.0
Service worker	234.1	132.3	101.8
Clerical/administration	21.5	16.4	5.1
Total	268.6	160.7	107.9

Staff turnover

Staff turnover is a function of the number of staff leaving over the number of staff employed. In 2007-08, respondent agencies employed 268.6 full time equivalent staff and lost 160.7 full time equivalent staff. Average staff turnover across respondent agencies is therefore equivalent to 14.6%.

Additional work

One way that agencies can increase the capacity of agencies to meet excess demand, is to try to squeeze more out of existing resources, which includes the use of increased volunteer and unpaid staff labour. Seventy-five per cent of respondents reported that they had increased the number of paid hours worked by staff in the last year. Seventy-six per cent of agencies agreed that the unfunded work by staff and volunteers had increased between 2006-07 and 2007-08.

Figure 8.5: Use of paid work: proportion agree/disagree with statement: 'this year we have increased the number of paid hours worked by staff' (TAS)

N= 37

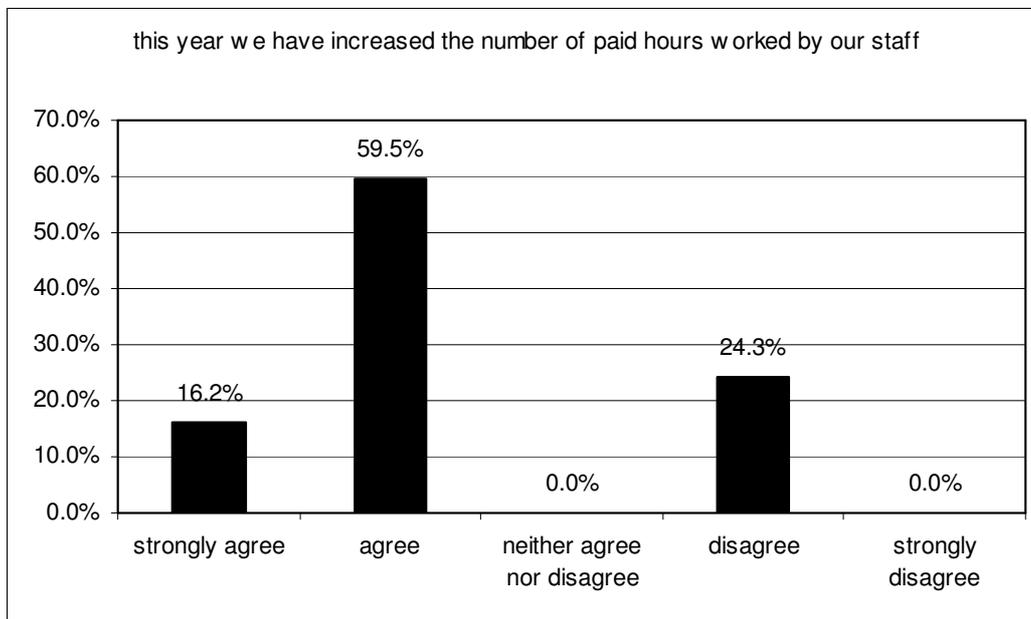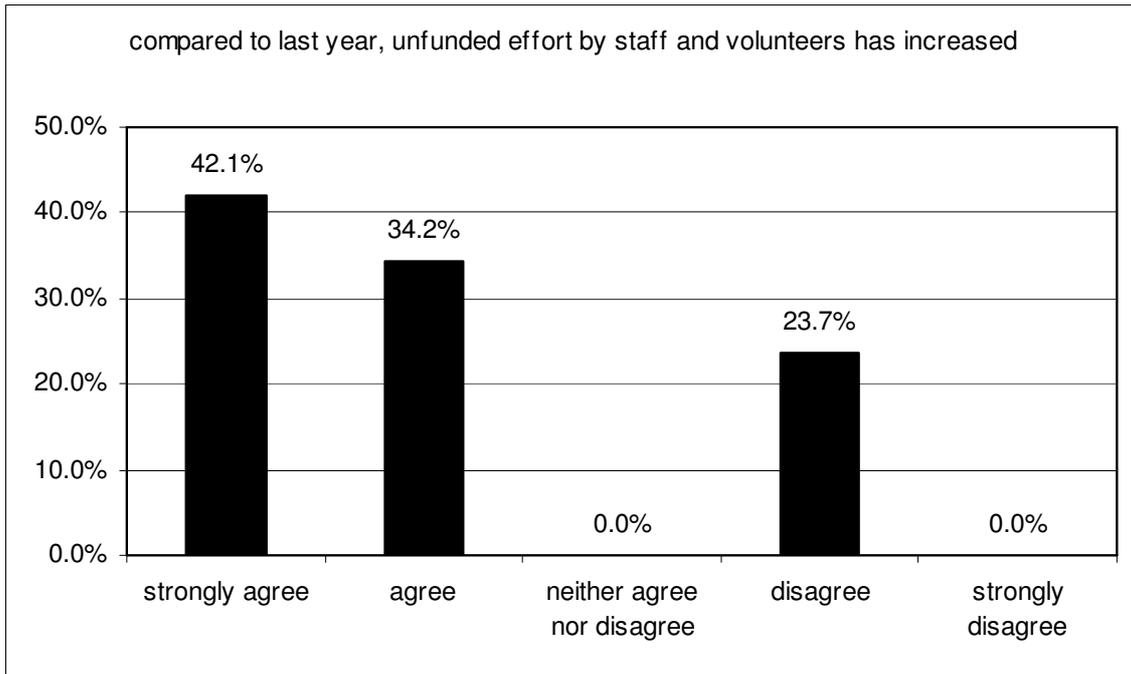this year we have increased the number of paid hours worked by our staff

Figure 8.6: Use of unpaid work: proportion agree/disagree with statement: 'compared to last year unfunded work by staff and volunteers has increased' (TAS)

N= 37

compared to last year, unfunded effort by staff and volunteers has increased

strongly agree	42.1%
agree	34.2%
neither agree nor disagree	0.0%
disagree	23.7%
strongly disagree	0.0%

Attracting appropriately qualified staff

Fifty-nine per cent of respondents indicated that they had experienced difficulty attracting appropriately qualified staff in the past year compared to 41% who had no difficulty.[40]

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[40] N=22.

Income and Expenditure

The capacity to recruit, pay, train and support a high quality workforce depends largely on the financial capacity of the industry.

As Table 8.4 shows, income has increased over the year by $5.9 million and operating expenses by $5.9 million. This has left the overall surplus by at $1.2 million, or 2% of total income.

Table 8.4: Income and Expenditure 2006-07 & 2007-08 (TAS)

Year	Total operating expenses[41] ($ millions)	Total income ($ millions)	Deficit/Surplus ($ millions)
2007-08	61.1	62.3	1.2
2006-07	55.1	56.3	1.2
Difference	5.9	5.9	0

Income

Agencies have received a 10.5% increase in overall income between 2006-07 and
2007-08. Income has grown across all the major sources with a:
- 16.1% increase in Commonwealth Government funding, representing 23.4% of total income
- 4.3% increase in State Government funding, representing 46.6% of total income
- 13.4% increase in client income, representing 1.4% of total income
- 16% increase in agency own source income, representing 27.9% of total income

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[41] N= 34.

Adequacy of Government funding to meet cost of contracted services

Ninety-one per cent of respondents disagreed with the statement that 'Government funding covers the true cost of delivering contracted services'.

Figure 8.7: Adequacy of Government funding: proportion agree/disagree with statement: 'Government funding covers the true cost of delivering contracted services' (TAS)

N= 46

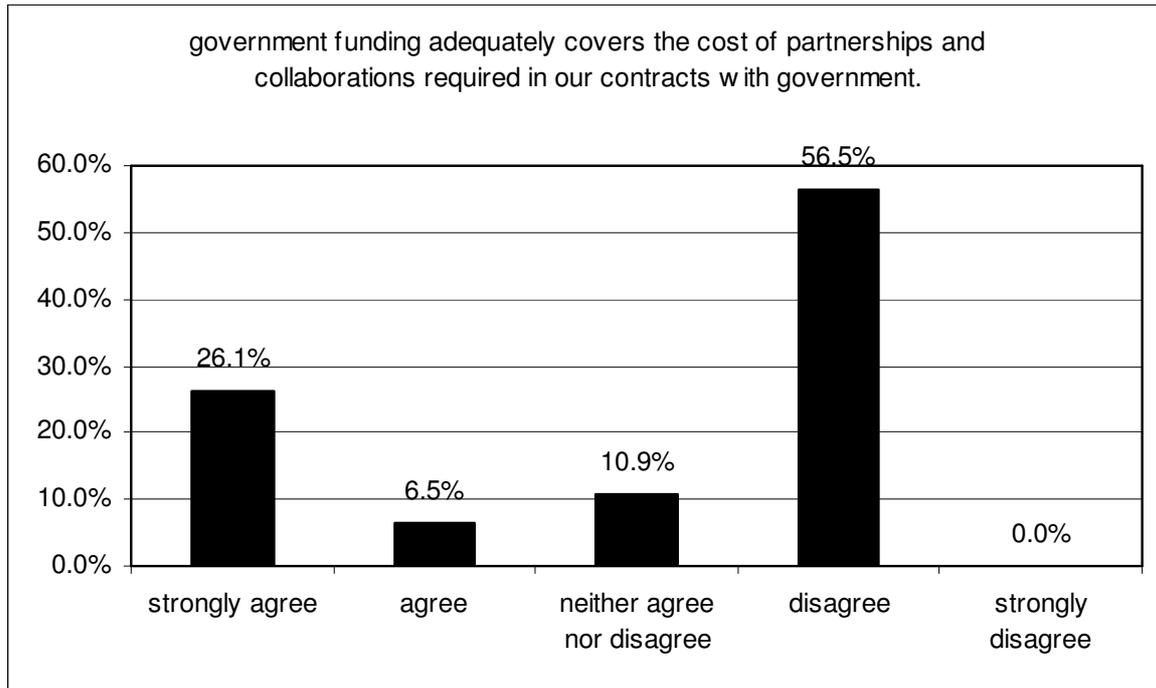government funding covers the true cost of delivering contracted services
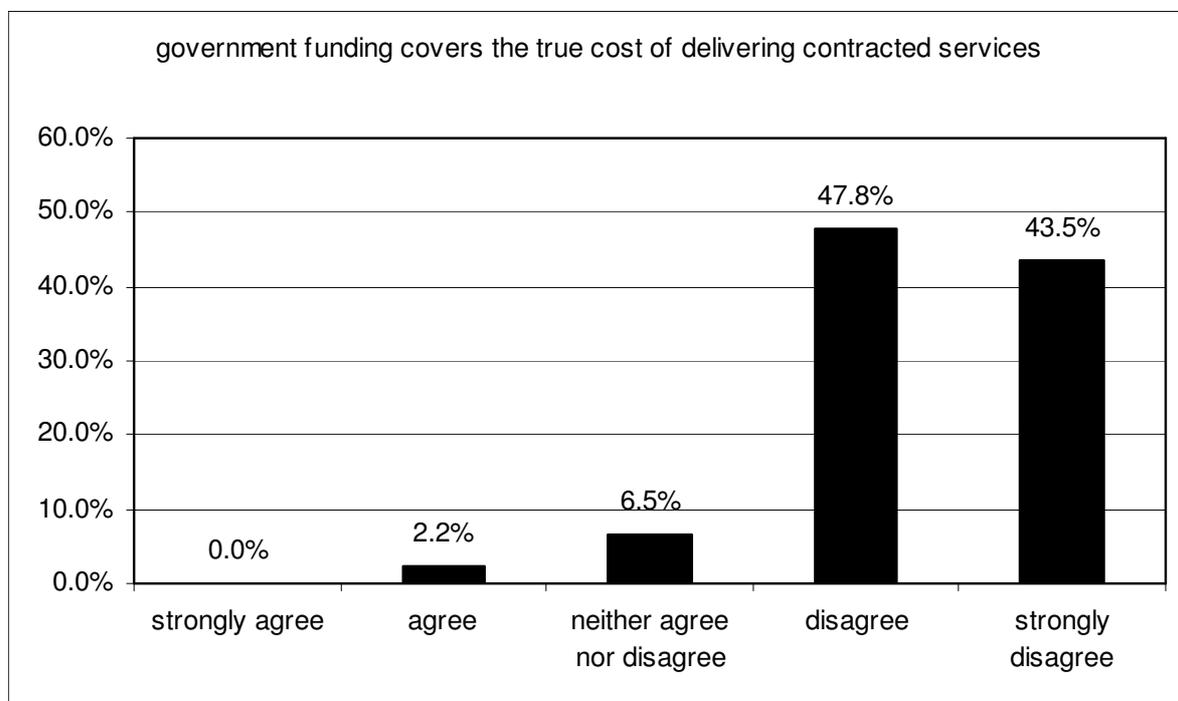
Adequacy of Government funding to cover cost of partnerships and collaborations

A small majority of respondents (56.5%) disagreed with the statement that Government funding adequately covered the cost of partnerships and collaborations required in our contracts with Government, with 32.7% agreeing with the statement.[42]

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[42] N=46.

Figure 8.8: Adequacy of Government funding regarding cost of partnerships: proportion agree/disagree with statement: 'Government funding adequately covers the cost of partnerships and collaborations required in our contracts with Government' (TAS)

N= 46

government funding adequately covers the cost of partnerships and collaborations required in our contracts with government.
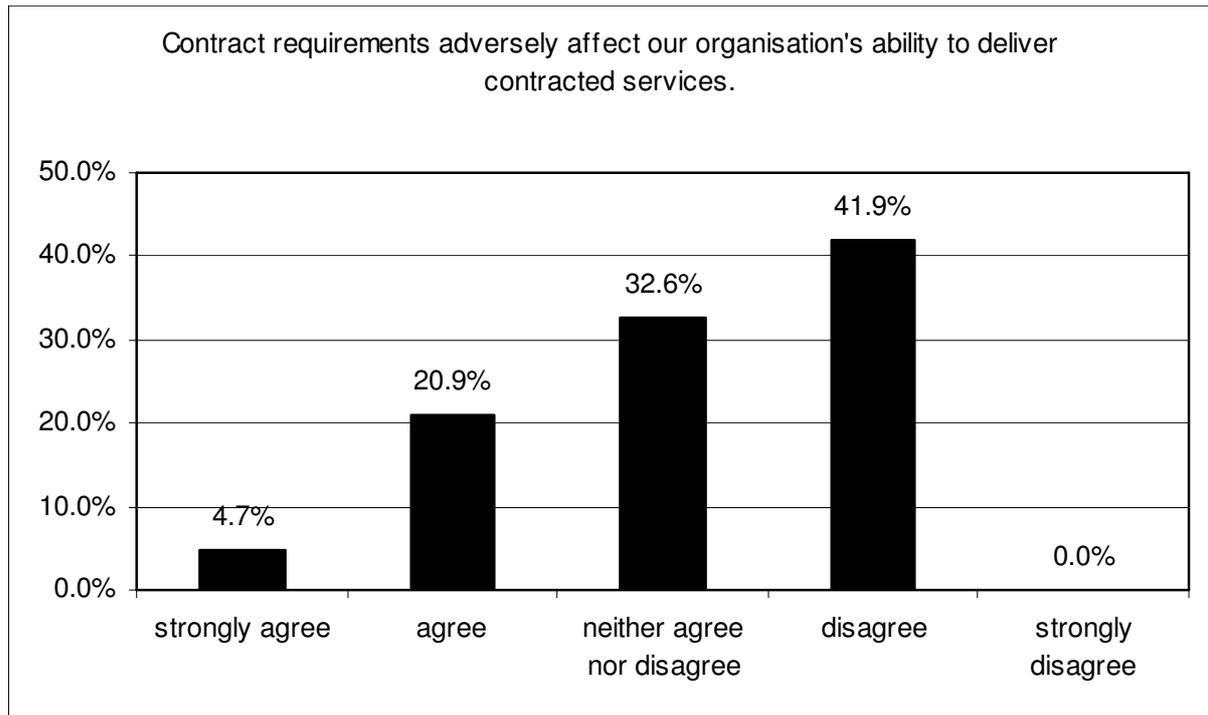
Effect of contract requirements on organisations' ability to deliver contracted services

Respondents were also divided over the effect of contract requirements on organisations' ability to deliver contracted services. While 25% of respondents agreed that contract requirements adversely affected their organisation's ability to deliver contracted services, 41.9% disagreed with this statement. The remaining 32.6% neither agreed nor disagreed.

Figure 8.9: Effect of contract requirements: proportion agree/disagree with statement: 'contract requirements adversely affect our organisation's ability to deliver contracted services (TAS)

N= 46

Contract requirements adversely affect our organisation's ability to deliver contracted services.

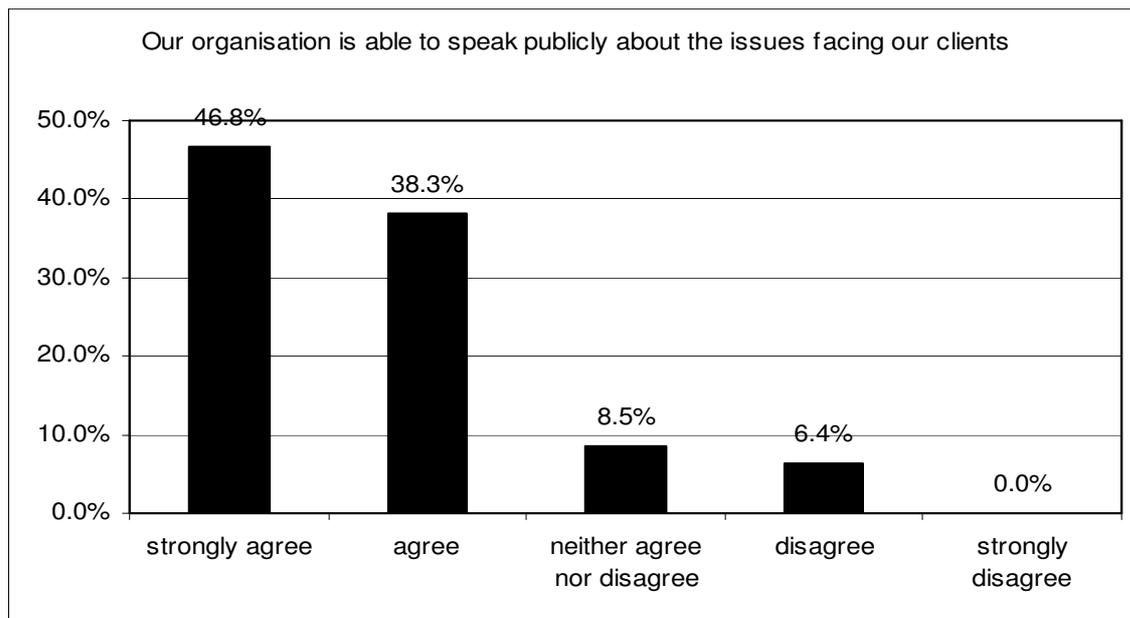| Response	Percentage
strongly agree	4.7%
agree	20.9%
neither agree nor disagree	32.6%
disagree	41.9%
strongly disagree	0.0%

The advocacy role of community organisations

A clear majority of respondents (85%) indicated that they were able to speak publicly about issues affecting their clients.[43] Only 6.4% disagreed and another 8.5% neither agreed nor disagreed.

_____

[43] N=46.

Figure 8.10: Ability to speak publicly: proportion agree/disagree with statement: 'our organisation is able to speak publicly about the issues facing our clients' (TAS)

N= 46

Our organisation is able to speak publicly about the issues facing our clients

Tax Status

The tax concessions available to community service organisations depend on the purposes and activities of individual organisations and how the Australian Taxation Office and State Government entities interpret the law governing charities and related organisations.

Tax concessions can be very valuable to individual organisations, running from exemptions from paying income tax to Fringe Benefits Tax (FBT) exemptions which enable employers to offer employees 'salary packages' which include untaxed non-cash benefits.

Status as a Public Benevolent Institution attracts particularly generous concessions, including exemptions from FBT. Status as a Deductible Gift Recipient (DGR) not only makes gifting to these organisations attractive but is a pre-condition for funding by most philanthropic bodies.

The tax status of survey respondents is mixed with 25% of organisation reporting having PBI or DGR status or both, 54.2% reporting that they were an Income Tax Exempt Charity (ITEC) only, and no respondents reporting that they were none of these.

Table 8.6: Tax status (TAS)

Tax Status	Number of organisations	Percentage
ITEC	13	54.2%
ITEC, PBI, & DGR	3	12.5%
PBI	1	4.2%
DGR	4	16.7%
PBI and DGR	1	4.2%
ITEC and PBI	2	8.3%
None of the above	0	0.0%
Total	24	100%

Northern Territory

Survey results

The ACSS 2009 was completed by 31 agencies in the NT who provided information about their activities over the financial years 2007-08 and 2006-07.

Service coverage

In terms of geographic coverage, 35.5% of respondent agencies provided services across the NT and 9.7% across a region.[44] Among the other geographic categories:

- 6.5% provided services primarily in a regional centre
- 3.2% provided services primarily in an inner metropolitan area
- 6.5% provided services primarily in a rural centre
- 22.6% provided services primarily in a remote area.

Service use

Demand for services

In 2007-08 respondent agencies provided services to 59,166 people, which is a 9.5% increase on the number of people who received a service in 2006-07 (54,018).

In 2007-08 respondent agencies turned away 2,810 people who were eligible for the service, which is a 2% decrease on the number of people turned away in 2006-07 (2,868).

Perceptions of demand

Service targeting

When demand for services outstrips the capacity to supply these services, many organisations will implement tighter targeting measures as a way of limiting this demand, and utilising constrained resources in the most equitable manner. Governmental policy, through funding and other arrangements, can also require that organisations target their services more narrowly.

With more tightly targeted service delivery aimed at rationing finite resources, many organisations will experience increased complexity in client needs. This increased complexity can have a significant impact on organisational workloads if appropriate resources are not made available.

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[44] Number of respondents to this question (N) = 31.

Any change in service targeting is, therefore, an important gauge of both demand for services, and organisational resources relative to this demand.

Ninety-two per cent of respondents agreed that their organisation was targeting services more tightly than in the past.

Figure 9.1: Targeting services: proportion agree/disagree with statement:
'our organisation is targeting our services more tightly than in the past' (NT)

N= 26
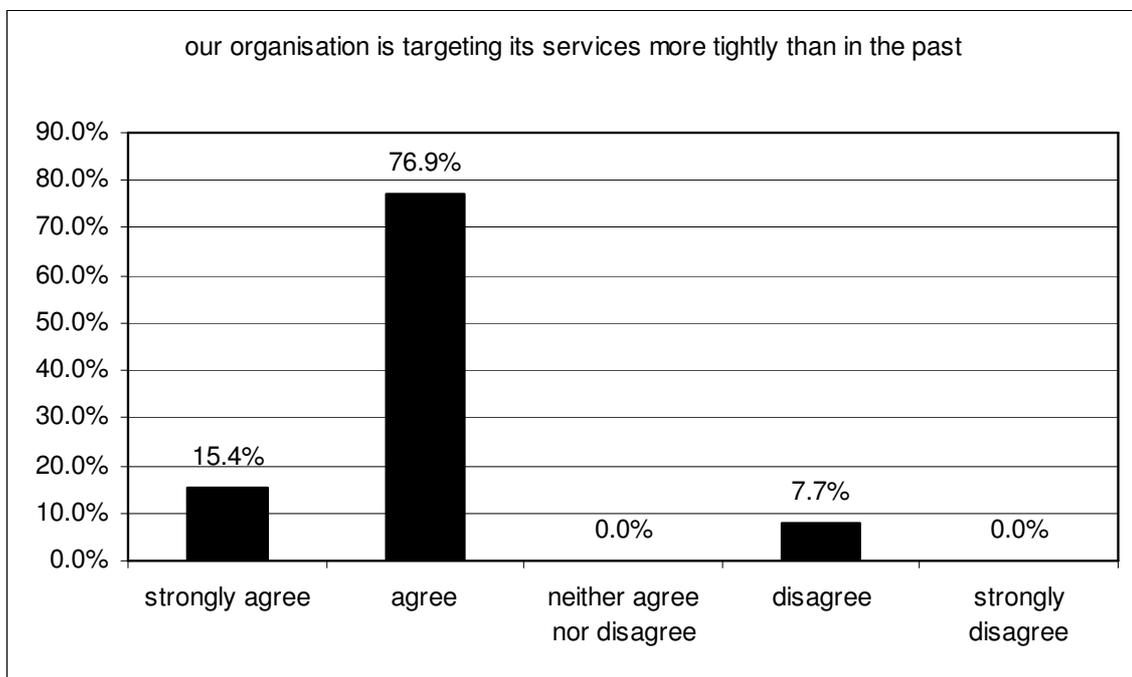
our organisation is targeting its services more tightly than in the past

What services are needed?

Agencies were asked to list, in priority order, the services most needed by their clients (other than the services provided by their own agency).

Long term housing and crisis and supported accommodation were identified as the services most needed by the clients of community service and welfare agencies. These were followed by employment, education and training programs, and income support.

Table 4.1: Client need by service type 2007-08 (NT)

N=22

Service type	Ranking score[45]	Number of times ranked most important	% of respondents who ranked this service in the top five most important
Long Term Housing	1	10	92.9%
Crisis and supported accommodation	2	3	91.7%
Employment, education and training programs	3	1	56.3%
Income support	4	1	92.3%
Health care (including mental health and drug and alcohol services)	5	2	85.7%
Legal services	6	2	30.8%
Aged and disability services	7	1	21.4%
Transport	8	1	36.4%
Assistance with the cost of utilities (energy, water, telecommunications)	9	0	18.2%
Family relationship services	10	1	27.3%
Child welfare services	11	0	27.3%
Child care	12	0	10.0%
Cultural, arts, recreation, sporting, information and social activities	13	0	10.0%
Domestic violence/ sexual assault services	14	0	15.4%

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[45] Ranking is determined by adding the number of times respondents marked a service type as the most important, second most important and third most important.

Character of the workforce

Paid staff

In 2007-08 respondent organisations employed 745.9 paid staff (Full Time Equivalent).

Volunteer staff

In 2007-08 respondent organisations engaged 190 volunteer service delivery workers.

Larger organisations tend to have a larger proportion of paid staff, although organisations of all sizes still utilise volunteers.

It is noteworthy that organisations of all sizes are governed primarily by volunteer boards.

Staff hiring and leaving

There was an overall increase of 70.6 Full Time Equivalent (FTE) employees working in respondent organisations during 2007-08. This represents an increase of 9.5% on the total number of paid staff.

Table 9.3: Staff hired and left 2007-08 (NT)

N= 31

Employee category	Hired (FTE)	Left (FTE)	Difference (FTE)
Management	26	23	3
Service worker	233.6	178	55.6
Clerical/administration	41	29	12
Total	**300.6**	**230**	**70.6**

Staff turnover

Staff turnover is a function of the number of staff leaving over the number of staff employed. In 2007-08, respondent agencies employed 300.6 Full Time Equivalent staff and lost 230 Full Time Equivalent staff. Average staff turnover across respondent agencies is therefore equivalent to 30.8%.

Additional work

One way that agencies can increase the capacity of agencies to meet excess demand, is to try to squeeze more out of existing resources, which includes the use of increased volunteer and unpaid staff labour. Sixty per cent of respondents agreed that they had increased the number of paid hours worked by staff. Ninety per cent of agencies agreed that the unfunded work by staff and volunteers had increased between 2006-07 and 2007-08.

Figure 9.5: Use of paid work: proportion agree/disagree with statement: 'this year we have increased the number of paid hours worked by staff' (NT)

N= 23

this year we have increased the number of paid hours worked by our staff

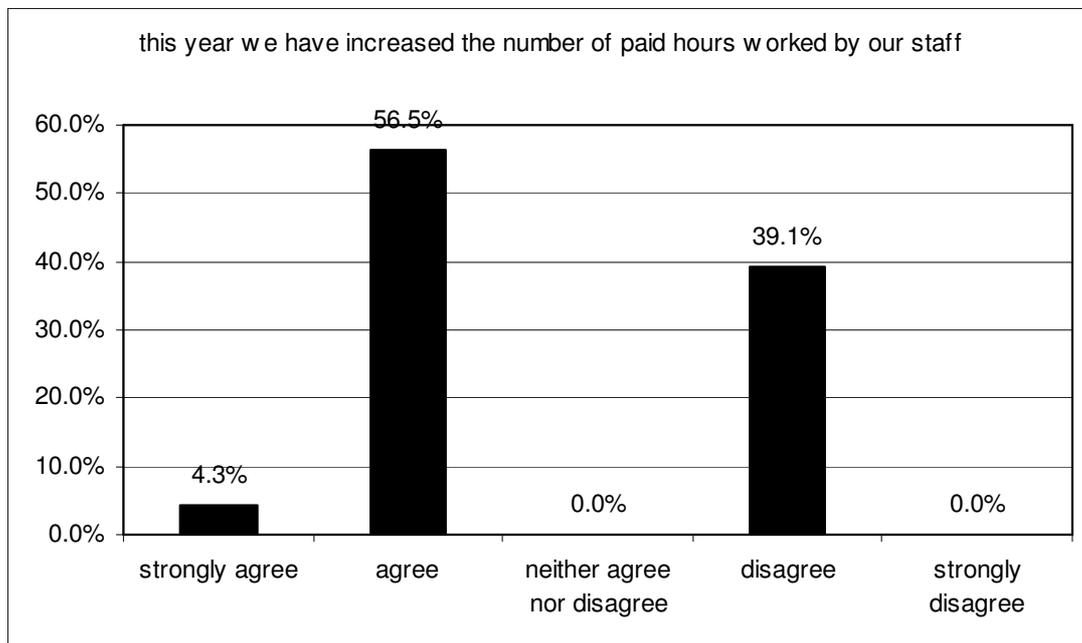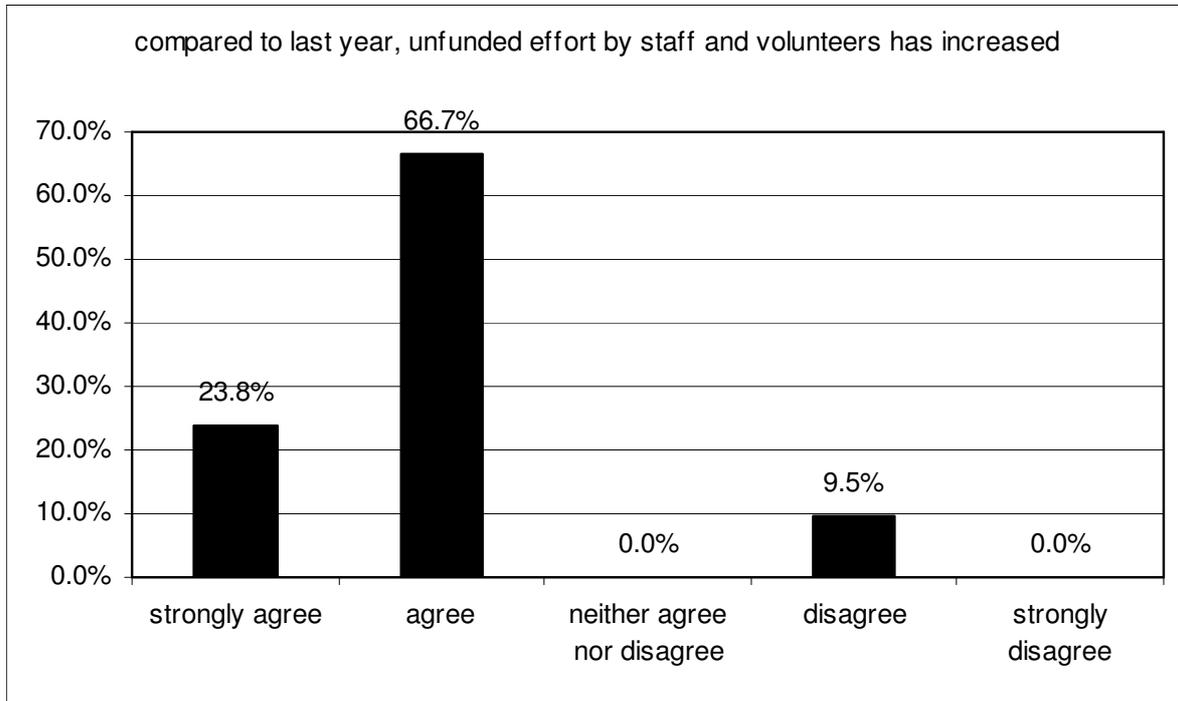|	strongly agree	agree	neither agree nor disagree	disagree	strongly disagree
	4.3%	56.5%	0.0%	39.1%	0.0%

Figure 9.6: Use of unpaid work: proportion agree/disagree with statement: 'compared to last year unfunded work by staff and volunteers has increased' (NT)

N= 21

compared to last year, unfunded effort by staff and volunteers has increased

Attracting appropriately qualified staff

Seventy-five per cent of respondents indicated that they had experienced difficulty attracting appropriately qualified staff in the past year compared to 25% who had no difficulty.[46]

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[46] N=16.

Income and Expenditure

The capacity to recruit, pay, train and support a high quality workforce depends largely on the financial capacity of the industry.

As Table 9.4 shows, income has increased over the year by $3.3 million and operating expenses by $1.1 million. This has increased the overall surplus by $2.2 million to $8.7 million.

Table 9.4: Income and Expenditure 2006-07 & 2007-08 (NT)

Year	Total operating expenses[47] ($ millions)	Total income ($ millions)	Deficit/Surplus ($ millions)
2007-08	53.3	62.0	8.7
2006-07	52.2	58.7	6.5
Difference	1.1	3.3	2.2

[47] N= 31

Income

Agencies have secured an 12.2% increase in overall income between 2006-07 and 2007-08. Income has grown across all the major sources with a:
- 13.6% increase in Commonwealth Government funding, representing 60.3% of all income
- 16.2% increase in State Government funding, representing 22.3% of all income
- 8.7% increase in client income, representing 4% of total income
- 27.5% decrease in own income, representing 12.2% of total income.

Adequacy of Government funding to meet cost of contracted services

Seventy-six per cent of respondents disagreed with the statement that 'Government funding covers the true cost of delivering contracted services'. Only 20% expressed the view that funding was adequate.[48]

Figure 9.7: Adequacy of Government funding: proportion agree/disagree with statement: 'Government funding covers the true cost of delivering contracted services' (NT)
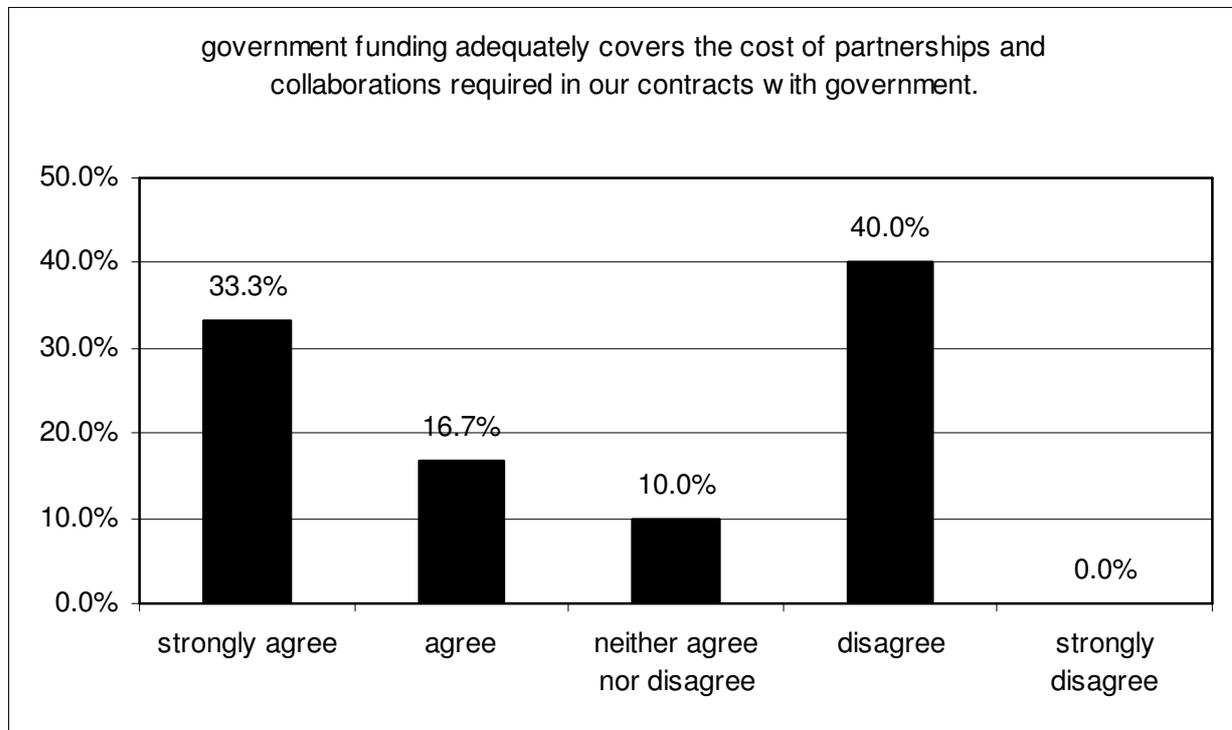
N= 30

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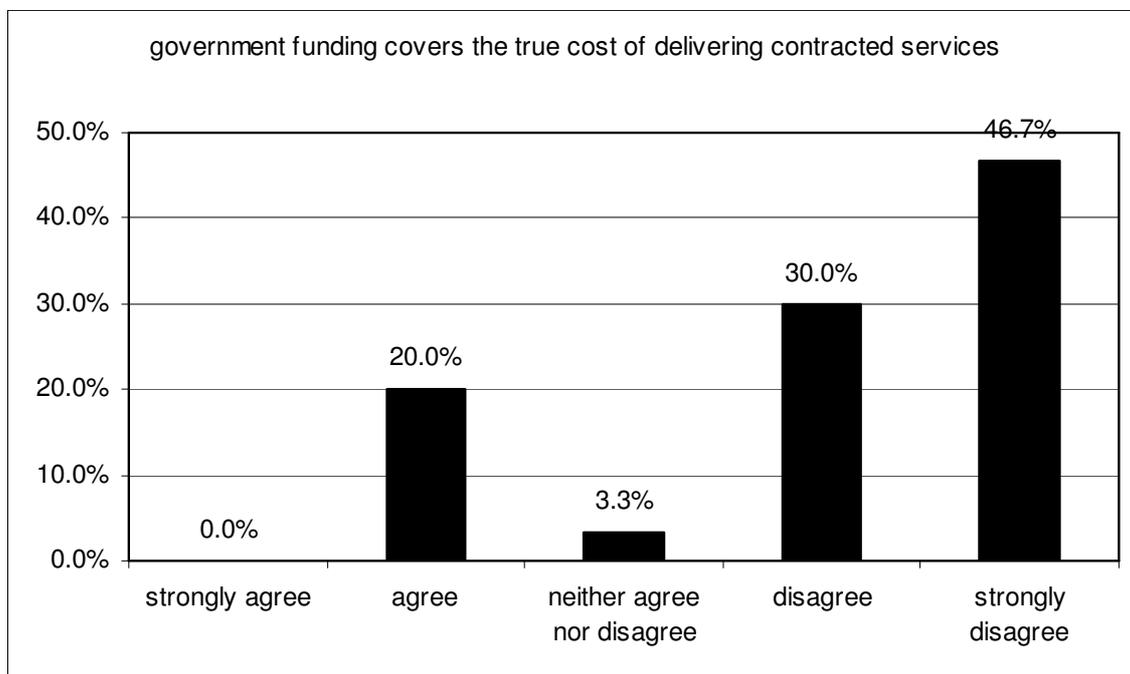
[48] N=30.

Adequacy of Government funding to cover cost of partnerships and collaborations

Respondents were split on the question of whether their funding adequately covered the costs of partnerships and collaborations stipulated in contracts with Government with 50% agreeing and 40% disagreeing.

Figure 9.8: Adequacy of Government funding regarding cost of partnerships: proportion agree/disagree with statement: 'Government funding adequately covers the cost of partnerships and collaborations required in our contracts with Government' (NT)

N= 30

government funding adequately covers the cost of partnerships and collaborations required in our contracts with government.

Effect of contract requirements on organisations' ability to deliver contracted services

Twenty-one per cent of respondents agreed that contract requirements adversely affected their organisation's ability to deliver contracted services and 24.1% disagreed with this statement. The remaining 44.8% neither agreed nor disagreed.

Figure 9.9: Effect of contract requirements: proportion agree/disagree with statement: 'contract requirements adversely affect our organisation's ability to deliver contracted services' (NT)
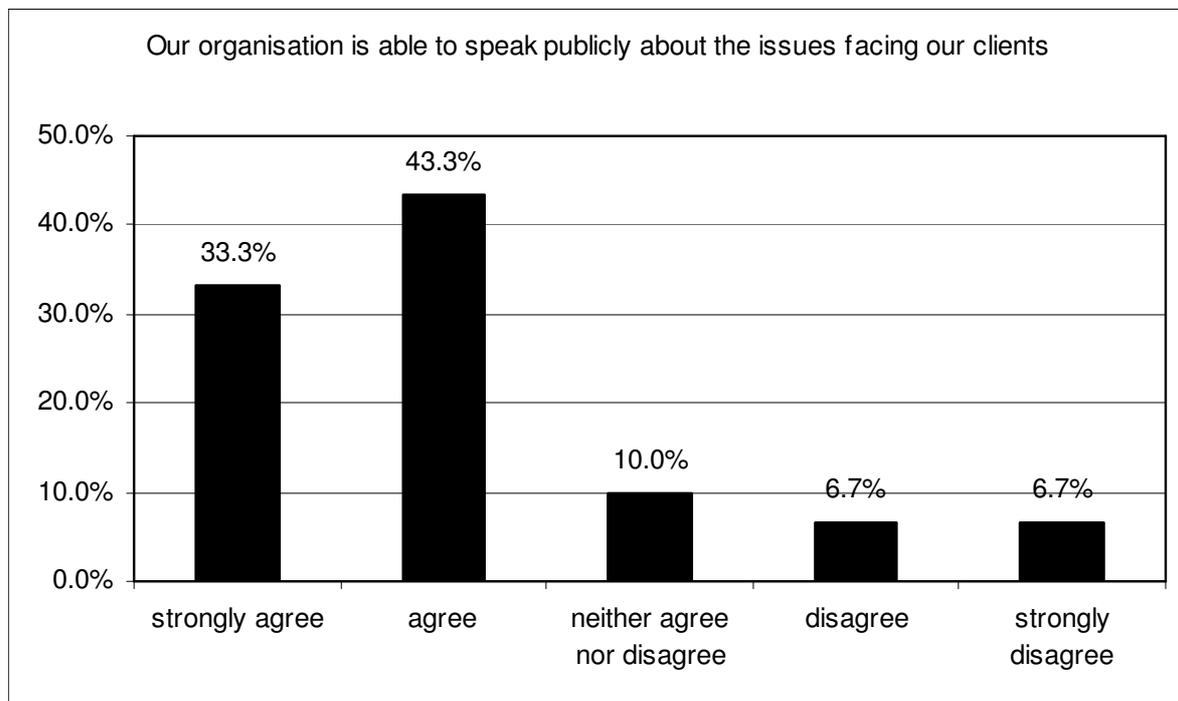
N= 29
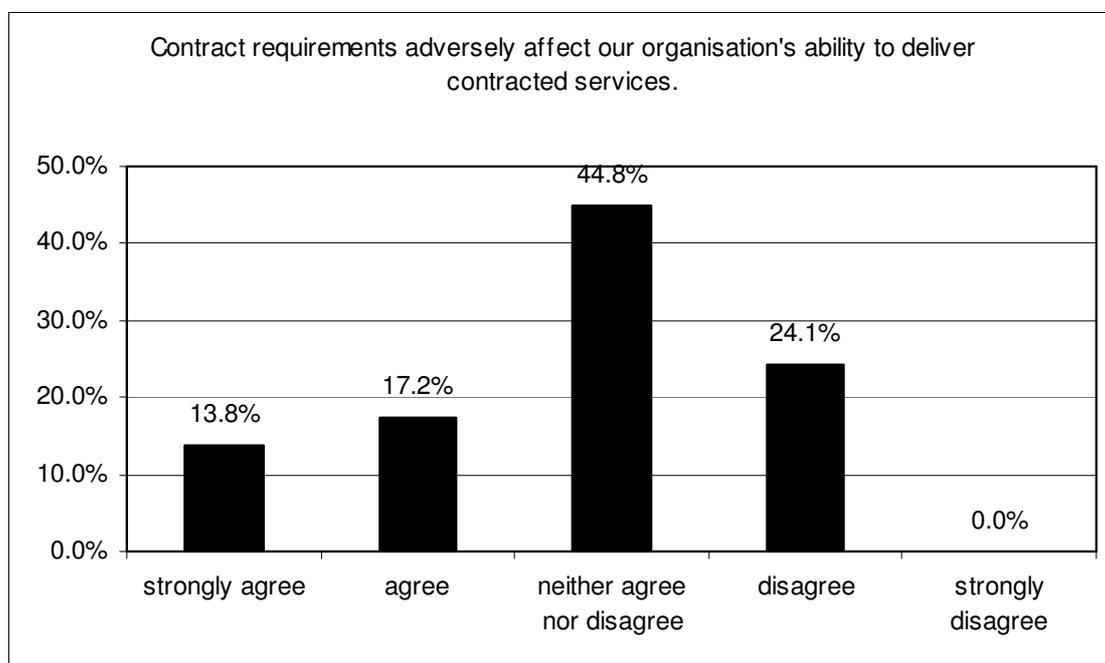
The advocacy role of community organisations

A majority of respondents (73.6%) indicated that they were able to speak publicly about issues affecting their clients.[49] Thirteen per cent disagreed and another 10% neither agreed nor disagreed.

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[49] N=29.

Figure 9.10: Ability to speak publicly: proportion agree/disagree with statement: 'our organisation is able to speak publicly about the issues facing our clients' (NT)

N= 30

Our organisation is able to speak publicly about the issues facing our clients

Tax Status

The tax concessions available to community service organisations depend on the purposes and activities of individual organisations and on how the Australian Taxation Office and State Government entities interpret the law governing charities and related organisations.

Tax concessions can be very valuable to individual organisations, running from exemptions from paying income tax to Fringe Benefits Tax (FBT) exemptions which enable employers to offer employees 'salary packages' which include untaxed non-cash benefits.

Status as a Public Benevolent Institution attracts particularly generous concessions, including exemptions from FBT. Status as a Deductible Gift Recipient (DGR) not only makes gifting to these organisations attractive but is a pre-condition for funding by most philanthropic bodies.

The tax status of survey respondents is mixed with 33.8% of organisation reporting having PBI or DGR status or both, 25% reporting that they were an Income Tax Exempt Charity (ITEC) only, and 12.5% reporting that they were none of these.

Table 9.6: Tax status (NT)

Tax Status	Number of organisations	Percentage
ITEC	4	25.0%
ITEC, PBI, & DGR	3	18.8%
PBI	4	25.0%
DGR	2	12.5%
PBI and DGR	1	6.3%
ITEC and PBI	0	0.0%
None of the above	2	12.5%
Total	16	100%

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