



**Australian  
Council of  
Social Service**

## **ACOSS statement to Fair Work Australia**

### **Equal Remuneration Case No.C2010/3131 August, 2010**

#### **Who we are**

1. The Australian Council of Social Service (ACOSS) is the peak council of the community services and welfare sector. Established in 1956, ACOSS is the national voice for people affected by poverty and inequality. Through its network, ACOSS links community and welfare services in every corner of Australia. ACOSS has 46 national member organisations, including:
  - i. National peak organisations such as the Australian Federation of AIDS Organisations, Community Housing Federation of Australia and Jobs Australia;
  - ii. National welfare agencies including Anglicare, Catholic Social Services Australia, Family Relationship Services Australia, Mission Australia, Salvation Army, St Vincent de Paul, The Smith Family and Uniting Care;
  - iii. Consumer groups such as the National Council for Single Mothers and their Children and People with Disabilities Australia; and
  - iv. Professional bodies such as the Australian Nursing Federation and the Australian Association of Social Workers.
2. Many state and local organisations also support ACOSS by being Associate Members. ACOSS currently has around 250 Associate Members, including individuals.
3. ACOSS links this membership with the eight Councils of Social Service in Australian states and territories (the COSS network) that represent thousands of front-line community agencies. Across the COSS network we represent in excess of 2500 members in Australia.

#### **Pay equity**

4. The social service and community sector is marked by particular features, benefits and values (see Attachment 2). The effectiveness of organisations in this sector depends upon a committed and experienced workforce with the skills and capacity to respond to the needs of individuals and communities. But community social services in Australia are increasingly unable to attract and retain that workforce because of the disparity between the wages available compared with government or the private sphere. The survival and sustainability of the community sector depends upon redressing these pay inequities.
5. A major difference between the social and community sector and the public sector or local authorities is that the latter two industries employ a greater range of job types and correspondingly a higher proportion of men (QCOSS Submission to the Queensland Industrial Relations Commission 2008). The public sector and local government are probably the best industry comparators for the social and community sector, because of the nature and structure of the work undertaken. Each of these sectors delivers services that have been identified as necessary by governments for the communities they serve. Each of these sectors has some element of care and social service in the programs they fund and the workers they employ. And each of these sectors supports the provision of social services as an essential contribution to

the community, irrespective of the fact that those programs are likely to be unprofitable and to cost a significant expenditure of public money.

6. Yet in the public service, care workers such as social workers are only one part of a much broader cross-section of workers, spanning financial and policy officers, managers and advisors. The public sector workforce as a whole is not marked by a strong representation of workers providing social services. Similarly in local government, the dedication of funds, workers and other resources to community services is only one part of the remit of these authorities, who also provide infrastructure for local businesses and transport, manage utilities, and collect revenue. Here again, the workforce of local authorities includes but is by no means dominated by care workers. This is a major factor in understanding the history of low wages paid to a predominantly female workforce in the social service and community sector. The range of roles in government and local authorities has increased the ability of those sectors to pursue and obtain wage claims that not only maintain appropriate levels of pay but also remain in parity with comparable wages. By contrast in the social and community sector, it is care-giving workers in a predominantly female workforce who are the backbone of the sector. Even those in management roles have generally been drawn from a background working in the sector, often in face-to-face ('frontline') client services.
7. Social services and community organisations need to be properly supported to carry out their objectives. Yet under-funding, particularly of government-supported services, has become chronic across the sector. The Productivity Commission's study into the contribution of the not-for-profit sector revealed that government funding routinely covers only 70% of the full cost of service, with organisations seeking costs from service users and contributing from their own funds to make up the short-fall. On top of that, government funding does not cover market-based wages for community workers. These two factors are the major drivers for the comparatively poor wages for workers in non-government social services.
8. In 2009, ACOSS surveyed our members about 'sector issues', focusing on organisational and operational issues facing the sector. The results of this survey confirmed that **the capacity to attract and retain staff is the single greatest issue** facing community social service organisations. In particular, organisations reported their highest priority to be funding to ensure sustainability and the capacity to develop their staff, in order to develop and improve their services. The capacity of this sector to attract and retain suitable workers is not just an issue for the sustainability of the not-for-profit sector. It will be a significant factor in determining how well Australia copes with looming social and economic pressures, including an ageing population and forecasted growth in population numbers; in terms of meeting the care and support needs of the population; and to enable the economic participation of working age adults. It will also be a major factor in Australia's responsiveness to global financial trends and to the impact of climate change.

### **The human costs of pay inequity**

9. Pay inequity is currently the major challenge to the sustainability of the community sector in Australia. The burden of low wages affects all workers in the sector. However it impacts disproportionately upon women for two reasons:
  - i. the majority of workers in the sector are female and therefore face significant inequity in terms of pay, conditions and career advancement; and
  - ii. community sector workers face a significant undervaluing of their work, often on the basis of gender.
10. The community sector workforce is highly feminised. Workers are often part-time employees, working on average 31 hours a week; and they are getting older, with an average age of 41 years for workers in the sector compared with an average of 39 years in other workforces.

11. These workers are drawn to the sector primarily by the interaction of 'meaning' they have in relation to their clients and to their colleagues; the satisfaction derived from helping the people they care for; the satisfaction of having the skills necessary to do their jobs well; and flexibility in relation to the work-home balance.<sup>1</sup>
12. While there are many structural elements to ensuring social and economic inclusion, the community sector workforce is absolutely essential to the inclusion of those who are most vulnerable. Social inclusion and poverty alleviation cannot happen without this workforce. Moreover, and as the Productivity Commission has recognised, community services as essential to engendering trust in the community; facilitating access to resources (especially volunteers); and to building capacity in individuals and communities.<sup>2</sup> These services provide the bonding and bridging capital for many of our citizens; an importance that is underlined in economic terms by the sector's rate of growth at roughly 5% per year.
13. Nevertheless working in the community sector comes at a personal cost to its employees. Of the 221,500 employees in the sector 69, 300 or 50% are full time employees. Almost 32% are permanent part time employees (87,900) and 18% are casual employees (63,900). Other elements of employment in the community sector which place its workers at future financial risk include casualisation, which prevents many women from participating in the benefits which accrue to permanent employees. Limited tenure and contract work are also features of the community services sector. Government and project funding are time limited. Workers often have to leave organizations when programs conclude. Only recently has long service leave entitlement in the sector come to match that of other industries; and maternity leave has been largely unpaid and shorter than in other sectors.
14. It is the low pay rates in the community sector that have the most significant effect on working conditions and the work-family balance of families reliant on these incomes. Labour costs in the community sector can be as high as 80% of program costs. Given the high rates of employment of women in the community services sector, its level of pay significantly contributes to the gender gap in pay in Australia.
15. These assertions were supported by the Queensland Industrial Relations Commission in its making of a new award applying to the community services sector in Queensland in 2008. As acknowledged by that award, one of the major concerns for the sector is that "the pay inequity that is present in [the community services sector] as a result of undervaluation of work is exacerbated by the absence of enterprise bargaining in this sector. This means that the wages paid to employees in this sector are substantially less than their counterparts employed in the public sector" (QIRC, 2007, p.6).
16. Workers' financial wellbeing is significantly impacted by Government policy directions. While attitudinal change can make a huge impact on the wellbeing of women, ultimately government policy and resources must back rhetoric around workforce participation and inclusion.
17. For these reasons, **ACOSS supports the application for equal remuneration currently before Fair Work Australia.**
18. ACOSS has also attached a joint statement coordinated by us and signed by over 300 employer organisations in the sector, demonstrating their support for the equal remuneration case and calling on new and full funding for the sector to cover any wage rises (Attachment 1).

### **Principles of the equal remuneration case**

19. In her award modernisation request, Education and Workplace Relations Minister Julia Gillard instructed the (then) Australian Industrial Relations Commission to consider "the need to help

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<sup>1</sup> ASU Building Social Inclusion in Australia: Priorities for the Social and Community Services Sector workforce: 14: 2007.

<sup>2</sup> Productivity Commission (2010) Research report into the contribution of the not-for-profit sector, January.

prevent and eliminate discrimination ... and to promote the principle of equal remuneration for equal work".<sup>3</sup> Although the term can have several meanings, the Councils of Social Services across the country have previously agreed with the definition of pay equity used by the New South Wales Office of Industrial Relations: "that men and women should be paid equally for work that is of either equal or comparable value".

### **The funding implications of the equal remuneration case**

20. It is undeniably the case that community sector organisations will require time, funding and expertise to implement *any* changes – particularly higher wages – that arise from the equal remuneration case. The agreement of a phased introduction of any wage rise is absolutely vital in this regard. So too will be commitments from both government and non-government funding sources to fund services to provide market-based wages to community workers. ACOSS has been working with our members to identify the implications of the equal remuneration case for wage costs. We have also been engaged in advocacy on these issues to the Commonwealth Government and Opposition and, with the COSS network, to the state and territory governments and oppositions. Nonetheless, while the funding of higher wages is critical issue, it remains the case that without higher wages that adequately reflect the nature of the work undertaken in this sector, the capacity of social services to continue their vital work will continue to be severely undermined.

### **Further ACOSS data on workforce challenges**

21. ACOSS undertakes an annual survey of organisations in the sector. Our identification of the increasingly critical nature of the sectors' workforce challenges is informed partly by these data. The most recent report is available online and we encourage Fair Work Australia to review those components specifically relevant to workforce at:  
[http://acoss.org.au/images/uploads/ACOSS -  
\\_Australian Community Sector Survey 2010 Final.pdf](http://acoss.org.au/images/uploads/ACOSS_-_Australian_Community_Sector_Survey_2010_Final.pdf)

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<sup>3</sup> Gillard, 2008, p.2

## **WE SUPPORT EQUAL PAY FOR SOCIAL & COMMUNITY SECTOR WORKERS: JOINT STATEMENT**

We are peak representative bodies, community organisations, sector employers, employer associations and unions working in social and community services across Australia. In an equal remuneration application currently before Fair Work Australia, workers in our sector are being considered for an increase to award rates of pay.

**We have come together to campaign for full funding of any pay increases that emerge from that case.**

Social services assist at least 6.5 million Australians living on low incomes.<sup>4</sup> They also make a significant contribution by working with and in the community. Yet historically, this work has been undervalued. 87% of community workers are women and only a small number of organisations have the ability to enter into enterprise bargaining.

Achieving pay equity is crucial for the sustainability of social services. Demand for support far outstrips supply and most services are already struggling to attract and retain workers. If wages do not improve, we will not be able to sustain this vital workforce and organisations will not be able to continue their crucial work. The ageing of our workforce adds another dimension, as low salaries make it even harder to replace workers who retire.

In 2009 the Queensland Industrial Relations Commission awarded significant pay increases to community sector workers. The Productivity Commission has also recognised that there is particularly poor pay in our sector, recommending that funding for community services should include market-based wages.<sup>5</sup> The current national equal remuneration case is seeking to extend the Queensland increases to sector workers across the country.

**We call on state and federal governments and non-government funders to commit to provide new and full funding of any increases awarded by Fair Work Australia in the application for an Equal Remuneration Order for social and community service workers.**

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<sup>4</sup> Commonwealth of Australia, *Centrelink Information, 2008-2009*, p. 1.

<sup>5</sup> Productivity Commission (2010) *Report into the contribution of the not-for-profit sector*.

**WE CALL FOR FULL FUNDING OF ANY WAGE INCREASES IN THE PAY EQUITY CASE FOR SOCIAL AND COMMUNITY SERVICE WORKERS:**

139 Club Inc	Australian Turkish & Kurdish Community Services Co-Op LTD
ADEC - Advocacy, Disability, Ethnicity, Community	BABI Youth & Family Service
Agencies for South West Accommodation	Baptistcare Western Australia
AIDS Housing Action Group	Barnardos Australia
Alice Springs Youth Accommodation & Support Services	Barwon Community Legal Service
Albury Wodonga Community Network Inc	Bega Valley Community Transport Service
Alzheimer's Australia NT	Berry Street
Anglicare Australia	Blackheath Area Neighbourhood Centre
Anglicare WA	Blue Mountains Commuter & Transport Users Association Inc
Association for the Wellbeing of Children in Healthcare	Board of the Hepatitis C Council of SA Inc
Association of Children's Welfare Agencies	Bowen Neighbourhood Centre
Association of Neighbourhood Houses and Learning Centres	Break Through Community Housing Service Inc
Australian Association of Social Workers	Bridging the Gap Sydney West Inc
Australian Capital Territory Council of Social Service	Brisbane Youth Service
Australian Community Children's Services	Broken Hill YASS Inc
Australian Council of Social Service	Burnie Brae Centre
Australian Federation of AIDS Organisations	Cabramatta Community Centre
Australian Federation of Disability Organisations	Cairns Regional Domestic Violence Service Inc
Australian Federation of Graduate Women (NSW)	Caloundra Community Centre Inc
Australian Federation of Graduate Women Inc	Canberra Rape Crisis Centre
Australian Federation of University Women (WA) Inc	CAPAH Centre-Based Day Care
Australian Financial Counselling and Credit Reform Association	Capricornia Community Development Association
Australian Pensioners' & Superannuants' League	Capricornia Respite Care Association
Australian Polish Community Services	Carers Australia
	Carers NT
	Carers Queensland Inc
	CareWays Community
	Carrie's Place Women's & Children's Services Inc
	Casey North Community Information & Support Service

CatholicCare Sydney	ConnectGroups - Support Groups Association of WA
Catholic Community Services	Connections Inc Lifestyle Support Service
Catholic Prison Ministry	Cooloola Youth Service
Centacare Cairns	COSMOS Inc
Central Coast Community Council Inc	Council of Social Service of NSW
Central Coast Tenants' Advice and Advocacy Service	Council of the Ageing NT
Central Domestic Violence Service	Cyrenian House
Central Family Support (QLD)	Dalby Crisis Support Association Inc
Centrecare Migrant Services	Darwin Centre Against Rape
Charleville and District Community Support Association Inc	Dhimurru Aboriginal Corporation
Charters Towers Neighbourhood Centre Inc.	Disability Information Advocacy Service Inc
Chester Hill Neighbourhood Centres	Disability South West Inc
Children's Services Support Program	Domestic Violence Prevention Centre Gold Coast Inc
Chisholm Inc	DRUG ARM Australasia
Choice Australia Management Ltd	Dungog & District Neighbourcare Inc
Clarence Family Day Care Scheme	ECHO Neighbourhood Centre Inc
Clubhouse SA Inc	Edmund Rice Camps (SA) Inc
Coast Shelter	Environmental Defender's Office of NQ Inc
Combined Pensioners & Superannuants Association of NSW Inc	Ethnic Communities' Council of Victoria
Commonwealth Respite & Carelink Centre	Families ACT
Communicare Inc (NSW)	Family Life
Communicare Inc (WA)	Family Planning Queensland
Communication Rights Australia	Family Planning Tasmania Inc
Community Based Support South Inc	Family Planning Welfare Association NT
Community Centres Family Support Network Association QLD	Family Relationship Services Australia
Community Development Services Inc	Family Services Illawarra Inc
Community Employers WA	Family Support Centre Inc
Community Focus Association Inc	Financial and Consumer Rights Council
Community Legal Centres NSW	Flemington & Kensington Community Legal Centre Inc
Community Services Australia Limited	FORWAARD Aboriginal Corporation
Community Transport Organisation	Fremantle Women's Health Centre
Community Transport Warren	

Good Shepherd Youth and Family Service	Jabiru Community Youth & Children's Services Association Inc
Goodna Neighbourhood House	Joan Harrison Support Services for Women
Goodwood Community Centre	Jobs Australia
GordonCare	Kilmany Uniting Care
Goulburn Family Support Service Inc	Koomarri
Granville Multicultural Community Centre	Koongoora Inc
Greenacres Disability Services	Kogarah Community Services Inc
Griffith Neighbourhood House Community Centre	Kurri Kurri Community Centre Inc
Hastings Macleay Community Transport Services Inc	Kyabra Community Association
Hastings Women and Children's Refuge	Laidley Shire Community Care Association Inc
Health and Community Services Workforce Council Inc	Lake Macquarie Support Services Inc
Health Consumers Alliance of South Australia	Leichhardt Community Group Inc QLD
Hills Community Options	Life Without Barriers
Holyoake	Lifestyle Solutions (Aust) Ltd
Homelessness Australia	Lions Emergency Accommodation Centre Inc
House With No Steps	Lithgow Information & Neighbourhood Centre
Hunters Hill Ryde Community Services Inc	Liverpool Districts Neighbourhood Centres Association Inc
Information on Disability & Education Awareness Services Inc	Liverpool Youth Accommodation Assistance Company
Identitywa	Local Community Services Association
Illawarra Forum Inc	Logan East Community Neighbourhood Association Inc
Illawarra Women's Health Centre	Macarthur Diversity Services Initiative
Inner South-West Community Development Organisation	Mackay Regional Council for Social Development
Inner Sydney Regional Council	Mackay Youth Support Services Inc
Inner West Community Transport	MacKillop Family Services
Inner West Neighbour Aid Inc	Macleay Kalipso Inc
Interchange Illawarra	Maitland Community Care Services Inc
Intereach NSW	Mackay Regional Council for Social Development
Ipswich Regional Advocacy Service	Manly Warringah Pittwater Family Support Service
Ishar Multicultural Women's Health Centre	

Manly Warringah Women's Resource Centre	Network of Alcohol and Drug Agencies
Mareeba Community Housing Association	Neurofibromatosis Association of Australia Inc
MDSS support	Newcastle Family Support Services
Meerindoo Youth Accommodation Service	New England HACC Development Inc
Mental Health Association NSW	New Farm Neighbourhood Centre
Mental Health Community Coalition ACT	Newtown Neighbourhood Centre
Mental Health Coordinating Council	Nimbin Neighbourhood and Information Centre Inc
Mental Illness Fellowship South Australia	North Queensland Community Services
Mercy Family and Community Services	North Richmond Community Centre Inc
MercyCare	Northside Community Forum
Metro Migrant Resource Centre	North West Disability Services
Mid North Coast Regional Council for Social Development	Northern Rivers Community Legal Centre
Mission Australia	Northern Rivers Social Development Council
Monaro Crisis Accommodation Service	Northern Territory Council of Social Service
Moranbah and District Support Services Association Inc	NQ Community Services
Mosaic Community Care Inc	NSW HACC Development Officers Network
Mount Gravatt Community Centre	NSW Family Services Inc
Multicultural Communities Council of SA Inc	NSW Meals on Wheels Association Inc
Multicultural Council of the Northern Territory	NSW Rape Crisis Centre
Multicultural Development Association	NT Council of Government School Organisations Inc
Murrane Housing Inc	NT Shelter
Nambour Community Centre Inc	Nundah Community Support Group Inc
Nambucca Valley Community Services Council Inc	Older Women's Network NSW Inc
National Association of Community Legal Centres	Orbost Regional Health
National Association of People Living With HIV/AIDS	Othila's Young Women's Housing and Support Service
National LGBT Health Alliance	Outcare
National Shelter	OzChild
Nepean Community & Neighbourhood Services	PACT Community Support
	Parklands Cottage

PeakCare	Sector Connect
People Living with HIV/AIDS SA Inc	Security4Women Inc
People with Disability Australia	SEARCH Foundation
Peppercorn Services Inc	Settlement Council of Australia
Pine Rivers Neighbourhood Centre	Sexual Health information networking & education SA Inc
PositiveLife NSW	Share Bayside Inc
Port Kembla Community Project	Shelter Housing Action Cairns
Port Stephens Community Care Inc	Shelter SA
Port Stephens Family Support Service	Shire Wide Youth Services
Public Health Association of Australia	Shoalhaven Community Transport Service Inc
Pregnancy Help Queensland Inc	Shoalhaven Neighbourhood Centre Inc
Psychiatric Disability Services of Victoria	Somerville Community Services Inc
Public Interest Advocacy Centre	South Australian Council of Social Service
Queensland Aged & Disability Advocacy Inc	South Australian Network of Drug and Alcohol Services
Queensland Association for Healthy Communities Inc	South Coastal Women's Health Services
Queensland Baptist Care	Southern Riverina Youth Support Services Inc
Queensland Council of Social Service	South West Women's Housing Inc
Queensland Narrating Service	Spinal Cord Injuries Australia
Queenslanders with Disability Network	South East Neighbourhood Centre
Ravenshoe Community Centre	St George Community Transport Project Inc
Raymond Terrace Neighbourhood Centre	St George Youth Services Inc
Relationships Australia	St Johns Youth Services
Relationships Australia NSA	St Marys Area Community Development Project Inc
Respite Recreation Support	St Mary's House of Welcome
Richmond Community Services Inc	St Vincent de Paul Society National Council
Richmond Fellowship of WA	St Vincent de Paul Society SA
Rosebank Child Sexual Abuse Service Inc	Sunshine Coast Community Cooperative
Rosewood Community Centre (Qld)	Sutherland Shire Community Transport
Ruth's Women's Shelter Cairns Inc	Swan City Youth Service Inc
Ryde Family Support Service	
Salvation Army (Southern Territory)	
Safer Communities Australia Inc	
Sandgate & Brackenridge Action Group Inc (SANDBAG)	
Sands Qld	

Tableland Women's Centre Inc	West Moreton Migrant Resource Services Inc
Tasmanian Council of Social Service	Western Australian Council of Social Service
Tenants Union of NSW	Western Australian Network of Alcohol and other Drug Agencies
Tennant Creek Women's Refuge	Western Sydney Community Forum
The AIDS Council of South Australia Inc	Whitsunday Community Services Inc
The Benevolent Society	Whitsunday Crisis & Counselling Service
The Burdekin Association	Woden Community Service
The Ella Centre	Wollongong Meals on Wheels Association
The Factory Community Centre	Wollongong Women's Centre
The Family Centre	Women's Activities and Self Help House
The Haymarket Foundation	Women in Adult & Vocational Education Inc
The Housing Connection	Women's Centre Cairns Inc
The Link Youth Health Service	Women's Health In the North
The Smith Family	Women's Health NSW
Time for Kids	Women's Health West
Top End Women's Legal Service	WOMEN'S Healthworks
TransCare Hunter Ltd	Wyalong & District Community Transport Group Inc
TRI Community Exchange	Wyong Neighbourhood Centre Inc
Tripoli and Mena Association	Youth Affairs Council of South Australia
Tumut Regional Family Services Inc	Youth Affairs Network of Queensland
Tweed Shire Women's Service	YWCA Australia
UnitingCare Australia	
Uniting Care Gippsland	
Victorian Alcohol and Drug Association	
Victorian Council of Social Service	
Vietnamese Community in Australia (SA Chapter) Inc	
Volunteering ACT	
Volunteering Central Coast Inc	
WA Association for Mental Health	
Warren Meals on Wheels	
WASH House	
Watershed	
Wauchope & District Delivered Meals Service Inc	
Welfare Rights Centre	
WESNET Inc	

## **APPENDIX 2: Ten features and benefits of a strong, diverse and effective social service sector**

1. Through consultations with our members and research over several years, ACOSS has developed the following key features of a strong, diverse and effective community sector.
  - i. The sector is mission driven rather than market driven. This means that surpluses are reinvested back to provide a dividend for community stakeholders, rather than individual shareholders. This may take the form of an enhanced range of services, increased provision of services, or higher quality services.
  - ii. The mission and altruistic purpose generates goodwill that mobilises additional human and material resources, including valuable networks and relationships. While this provides added value, it is important to distinguish between such efficiency and “provision on the cheap”.
  - iii. The altruistic purpose can lead to greater trust and faster and more effective engagement of marginalised individuals. Not-for-profit community service and welfare agencies can be a safe and preferred place to go compared with government or private-sector agencies.
  - iv. The sector can be more responsive to previously unrecognised needs resulting from market or government failure. The initiative to develop new responses is far more likely to come from organisations that have a stake in addressing their community’s need, than from government departments or commercially engaged service providers. Additionally, social service organisations may provide services that are too politically sensitive for governments to offer directly, for example assisting asylum seekers, providing needle injecting centres and funding sexual health workers.
  - v. The sector is able to respond holistically and flexibly. Community organisations are generally better equipped to respond to a full range of client needs in a flexible way. Such responsiveness and flexibility cannot be guaranteed by contracted commercial services and can be difficult within bureaucratic or siloed government structures.
  - vi. Participation and representation of clients in management structures, program development and delivery can be empowering; can enhance information flow; and can lead to more effective outcomes.
  - vii. A long-term commitment to an issue, client group or local community often brings a history of knowledge, expertise and lessons learned. It can also influence the drive to better understand the structural causes of problems.
  - viii. Innovative solutions based on practice allow community organisations to anticipate new needs (eg an ageing population, a global financial crisis or climate change) and to respond more effectively to ongoing and deep-seated inequalities (eg closing the gap on indigenous life expectancy).
  - ix. Building community cohesion and social capital. Meaningful community involvement in, and responsibility for, providing community services is an important tool for weaving community cohesiveness. This can enhance social inclusion and safeguard against parts of society becoming marginalised or alienated.
  - x. The activities of community organisations contribute directly to the economy through paid and unpaid employment; and indirectly by contributing to and maintaining the wellbeing of individuals, families and communities, thereby providing the human resources necessary for the economy to function.

## APPENDIX 3: About the Community Sector

### Diversity of the sector

1. The social service and community sector covers a broad spectrum of activities, organisational size, objectives and focus. Some organisations work with specific client groups, such as ethnic minorities with disabilities or adults and children seeking refuge from domestic violence. They may develop expertise in particular areas such as social security law and policy, referring clients to alternative agencies depending on a client's needs, such as crisis accommodation and financial or domestic violence counselling. Community organisations may offer a particular service to one group that has flow on effects to families and communities, such as supported playgroups that aim to enhance relationships between parents and children by increasing their skills and confidence and developing valuable social and family support networks.<sup>6</sup> Alternatively, they may deliver "wrap around" services, such as community centres that provide counselling, employment and referral services, food, shelter and showering facilities.
2. The social service sector is heterogeneous and ranges from small, unincorporated groups with no paid staff and minimal income to large organisations with multi-million dollar budgets and hundreds or thousands of employees. The nature of the work undertaken by the sector also varies. Some organisations provide direct assistance; some work to achieve systemic change; many do both. Sector organisations may work nationally but employ relatively few staff; or they may be based in a local area with many staff. Sector organisations may also develop research and program evaluation capacities that become a significant resource for government and the community as a whole.

#### History of an evolving and diverse sector

Neighbourhood and community centres have existed in NSW since at least 1961, with many early centres beginning as Community Aid Centres, Citizens Advice Bureaux or Community Information Centres. They grew along with the movements for self help, resident action and welfare rights. Neighbourhood and community centres reflect the move away from dependence on traditional welfare towards disadvantaged people and communities participating in the decisions that affect their lives.

NSW Government funding began with small seeding grants in the late 1960s and was boosted by Commonwealth funding through the Australian Assistance Program, which emphasised the development of local initiatives and participation. More than 280 neighbourhood and community centres now exist in NSW alone. A number of neighbourhood and community centres now act as multipurpose community service providers while others focus on a particular service or activity. Neighbourhood and community centres are different in each community and varying across rural and remote towns and cities, outer metropolitan regions and inner urban cities. Some of these differences reflect historical and political events and pressures, while others are particular to the location and nature of the community they serve.

The Local Community Services Association, the peak organisation which represents neighbourhood centres nationally, has more than 1000 members, ranging from organisations with nearly \$50m in turnover and employing around 150 staff, to small organisations with a turnover of \$20,000.<sup>7</sup>

3. The diversity of the social service and community sector across Australia is partly a response to meeting needs that have evolved over time; are not met by government or the market; and cannot be resolved within family-based or personal support networks alone. While organisations may initially form to meet a specific need, over time their focus or the people they deliver services to might change. The Benevolent Society, Australia's oldest charity, is a good example of an organisation that is transitioning away from its original mission providing residential aged care, to the provision of care in people's homes and communities. It has significantly increased its services to families with children, with an increased focus on connecting them to their communities; and it is commencing long-term social inclusion projects

<sup>6</sup> Playgroup Australia 2006: 'Supported Playgroup', <http://www.playgroupaustralia.com.au/index.cfm?objectid=A14C0ACE-E7F2-2F96-3315FAE31A2AFDA1> accessed 22 March 2010.

<sup>7</sup> Local Community Services Association, ACOSS member consultation, 2009.

in two disadvantaged locations in NSW. This diversity is a feature of the sector and one of its strengths. As one ACOSS member has described it, “our sector is organic and evolving, not static and easy to pin down.”

#### **Activities of social services in Australia**

4. Social and community services provide much-needed support to many in the community, including some of the poorest and most socially isolated Australians. Community services range from crisis accommodation and housing support to financial counseling, healthcare, legal advice and income support. Some services, such as emergency relief, entail financial or in-kind contributions to individuals and families with urgent and immediate needs. These may include vouchers to cover utility bills, food hampers, or cash. Other services may be ongoing such as community housing, which seeks to provide viable, quality housing services to low income tenants (CHFA 2009).<sup>8</sup> Another important area of the community sector is free legal advice provided to the public by over 200 community legal centres in Australia which, in addition to providing general legal advice, also provide targeted services to Aboriginal and Torres Strait Islanders, children and young people, women, older people, refugees, prisoners, homeless people and other groups (NACLC 2006).<sup>9</sup> In addition to lawyers, community legal centres employ and refer to a range of community workers such as caseworkers and social workers who staff phone lines and drop-in sessions to provide individual advice and support.
5. Social service and community organisations are most readily identifiable for their direct service delivery to meet the needs of clients or members. Increasingly, early intervention and prevention programs have taken on a greater focus in the work of community organisations. These programs aim to reduce risk of poverty or disadvantage, increase resilience and keep people out of crisis systems. However there are a range of additional activities undertaken by social service and community organisations that are equally central to their work. These include:
  - i. Advocacy to provide a voice for marginalised people, either directly or on their behalf;
  - ii. Research on the issues affecting low income and disadvantaged people, which may include program evaluation, design of innovative services based on pilot programs, international best practice, survey of client users and joint work with universities;
  - iii. Policy development based on members, service users, volunteers and from experience of delivering services. Policies developed may be used by community organisations internally or to help shape priorities for governments, highlighting areas of need and providing on-the-ground experience of policy in action;
  - iv. Education for the broader community to better understand the needs and rights of marginalised groups in society; build empathy; and overcome stigma and discrimination. This work can impact upon society broadly, by enhancing social inclusion;
  - v. Representation of members or clients, including older people, people with disabilities, sole parents, and people living with HIV/AIDS;
  - vi. Interpretation of government policies, whereby organisations help explain complex government policies, programs and procedures; and to ensure members of the public access the programs that can best help them;
  - vii. Empowering local citizens and clients to take charge of their own lives through community development, building relationships and networks in neighbourhoods and communities, and providing self-help and mutual support, which in turn builds social capital and community cohesion; and
  - viii. Promoting a heightened sense of community and social responsibility which goes far beyond the provision of services.

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<sup>8</sup> CHFA 2009, Community Housing Federation of Australia, 'About', <http://www.chfa.com.au/About/> accessed 11 March 2010.

<sup>9</sup> NACLC 2006, National Association of Community Legal Centres, 'What is a CLC?', <http://www.naclc.org.au/topics/2000.html> accessed 11 March 2010.

## Employment and economic contribution

6. In 2006/07, Australia's 41 000 economically significant nonprofit organisations:
  - i. employed 995,000 people, 8.6% of Australians in employment.
  - ii. had an income of \$74.5 billion.
  - iii. contributed \$34 billion, or 3.4%, to GDP.
  - iv. made an economic contribution equivalent to that of the government administration and defence industry and one and a half times the size of the economic contribution of the agriculture industry<sup>10</sup>.
7. The data for 2006-07 show that the social services sub-sector:
  - i. employed 240,700 paid staff (27% of the total NfP sector).
  - ii. had an income of \$12.163 billion (16% of total NfP sector).
  - iii. contributed \$7 billion to GDP (20% of total NfP sector).

## Governance models in the sector

8. Social and community service organisations are predominantly not-for-profit. While often relying on volunteer labour, the primary workforce of the sector is paid. However governance structures throughout the sector often rely upon voluntary hours contributed by unpaid boards, constituted from the membership of an organisation or other stakeholders in its mission and work. For social and community sector workers, this means that paid staff in the community services and welfare sector often take on many voluntary roles, either in governance structures for other non-profit organisations, unpaid overtime for their employer, or in numerous other contributions to advocacy and policy development through networks and collaborations.
9. For organisations without paid staff, governance bodies may represent the structure through which an organisations' work is undertaken or coordinated. For other sector organisations, governance bodies may sit alongside management and staff. For instance at ACOSS, the CEO and paid staff undertake the daily activities of the organisation; while the Board of Governors, including an Executive, comprise unpaid representatives nominated by members of ACOSS. The Board works with the CEO to provide governance and operational policies that are collectively intended to:
  - i. provide a basis for accountability, quality assurance and performance measurement;
  - ii. promote active, appropriate participation of all stakeholders in the development of operational policies; and
  - iii. ensure that governance and operational policies, procedures and guidelines are systematically developed and approved as well as routinely reviewed.

### Valuing community based organisations

"Community based organisations have seen themselves as offering something unique, they are locally run. They engage with the community in a range of ways, and typically adapt to the specific problems and needs in their community. They are often highly entrepreneurial. Being tied to a community they have developed ways of surviving through waves of different funding regimes and winning or losing contracts. They don't have the option of simply moving on. Their entrepreneurialism extends to the way in which they see and deal with local problems... They have the ability to deliver services in a way that takes advantage of the assets in the local community and they will reinvest in that community to build those local assets<sup>11</sup>".

<sup>10</sup> ABS 2008 in Lyons 2009.

<sup>11</sup> Fowkes 2009, p. 36.

## Sources of Income

10. Government plays a huge role in funding for community service organisations. In ACOSS' Community Sector Survey (2010), 69% of organisations reported governments to be their primary sources of funding, including Commonwealth, state or territory and local government sources.<sup>12</sup> 23% of organisations reported the Commonwealth government to be the primary source of funding, 72% of whom reported that funding to be ongoing or recurrent. ACOSS' Community Sector Survey also flags the problem of receiving funding from more than one source. This means that organisations face more risk of not completely fulfilling their contractual reporting requirements, as more funding sources mean more reporting pressure. Furthermore, there is very little distinction made between states and territories in the role of government or private providers in funding.<sup>13</sup>
11. At the same time it is important to note the considerable diversity within ACOSS members in terms of income and expenditure. While some organisations receive government grants or contracts from government for service delivery, many do not. For example Mission Australia received some 84% of its income from federal, state and local government and 8% from fundraising in 2008. Some 50% of its expenditure was incurred in delivering employment and training programs under contract to the Federal Government by the Job Network. The Society for St Vincent de Paul reported 37% of income from government grants, 21% self generated from its centres of charity and 25% from fundraising in 2008. By contrast, The Smith Family draws only 6.7% of its funding from government sources and relies on fundraising and bequests for 68% of its income.
12. In 2006/07 the nonprofit sector's main sources of income were as follows:
  - i. 38% - sale of goods and services
  - ii. 34% - government grants and contracts
  - iii. 14% - fundraising and membership fees<sup>14</sup>.
13. For social services alone, the main sources of income were:
  - i. 32% - sale of goods and services
  - ii. 55% - government grants and contracts
  - iii. 4% - fundraising and membership fees<sup>15</sup>.

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<sup>12</sup> ACOSS, 2010: Community Sector Survey Report 2010. Volume 1, National.

<sup>13</sup> ACOSS, 2010: Community Sector Survey Report 2010. Volume 1, National; see also Australian Bureau of Statistics 2008.

<sup>14</sup> ABS 2008 in Lyons 2009

<sup>15</sup> ABS 2009: Not-for-profit Organisations Australia, 2006-07 (Re-issue). Cat. no 8106.0

[http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/8106.02006-07%20\(Re-Issue\)?OpenDocument](http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/8106.02006-07%20(Re-Issue)?OpenDocument)