

# State of the sector 2021

Queensland community services sector



## About QCOSS

We are QCOSS (Queensland Council of Social Service), Queensland's peak body for the social service sector. Our vision is to achieve equality, opportunity and wellbeing for every person, in every community.

We believe that every person in Queensland – regardless of where they come from, who they pray to, their gender, who they love, how or where they live – deserves to live a life of equality, opportunity and wellbeing.

We are a conduit for change. We bring people together to help solve the big social issues faced by people in Queensland, building strength in numbers to amplify our voice.

We're committed to self-determination and opportunity for Aboriginal and Torres Strait Islander people.

QCOSS is part of the national network of Councils of Social Service lending support and gaining essential insight to national and other state issues. QCOSS is supported by the vice-regal patronage of Her Excellency the Honourable Dr Jeannette Young PSM, Governor of Queensland.

Join us to mobilise a force for equality, opportunity and wellbeing.

[www.qcooss.org.au](http://www.qcooss.org.au).

## Acknowledgments

The 2021 Australian Community Sector Survey (ACSS) was conducted by the Social Policy Research Centre at UNSW Sydney, as part of a partnership between ACOSS, the COSS network, and Bendigo Bank. Other ACSS reports can be found here: <https://www.acoss.org.au/australian-community-sector-survey/>

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*QCOSS acknowledges Aboriginal and Torres Strait Islander people as the original inhabitants of Australia and recognises these unique cultures as part of the cultural heritage of all Australians. We pay respect to the Elders of this land; past and present.*

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## Executive Summary

The community services sector is the beating heart of Queensland's economy. We are part of the largest employer group in Queensland. On any given day almost 150,000 people go to work in our more than 10,000 charities. Our essential work is supported by more than 324,000 volunteers.

We are there when Queenslanders are in need. We provide services to people experiencing homelessness, domestic violence, and mental health issues. We support children, people with disability and older people. We provide connection and community.

Like 2020, 2021 has been a year characterised by challenges and change for the community services sector. After listening to workers and volunteers at engagement workshops in Brisbane, Ipswich, Gold Coast, Toowoomba, Sunshine Coast, Rockhampton, Mackay, Townsville, and Cairns and through a survey, we have provided an overview of the emerging challenges the sector is facing.

Listening to the community services sector is a privilege. Our sector is made up of people who go the extra distance to make a difference, who change lives and believe that through our collective efforts, we can tackle disadvantage. One worker at our Ipswich workshop described the value of her organisation's work with beautiful simplicity:

*"Every day we keep women alive."*

The challenges outlined in this report must be understood and addressed to enable the community services sector to reach its potential. To ensure the work of our sector is impactful, the basic needs of our service users must be met. This includes dealing with the housing crisis, ensuring income support is above the poverty line and creating a society where people experience community. Coupled with this, we must have a social service system that is resourced sufficiently to lift people up when they need support.

The community services sector is facing an unprecedented level of demand that is growing in complexity. While there have not been significant numbers of COVID-19 cases across regional Queensland this year, the impacts of the pandemic have created turbulence. Queensland is living through a housing crisis, the population is growing and changing, it is increasingly difficult to attract and retain staff, mental health issues have been experienced by both service users and staff and the rapid digital transformation is leaving many behind.

This report outlines significant pressures on our feminised workforce. In addition to challenges associated with recruiting and retaining staff and offering good quality permanent jobs, we heard about fatigue and burn out. Community sector stakeholders also identified gaps in areas such as better service integration, the improved use of data and a stronger focus on prevention. There is significant scope to overcome many of these issues through an improved relationship between government and our sector, underpinned by adequate and ongoing funding, including funding that recognises the increased costs associated with delivering vital services to the community.

This report tells the story of a sector that provides Queenslanders with the support they need when times are tough. By addressing the challenges outlined in this report, we will empower the community services sector to grow our economic contribution and work effectively toward our vision of equality, opportunity, and wellbeing for all Queenslanders.

## Background

The economic contribution of the community services sector is significant, with the sector belonging to the largest employer group in the Queensland economy. The sector employs more than 150,000 people and over 324,000 volunteers in more than 10,000 charities.

During COVID-19 lockdowns, community organisations provided a vital safety net to people experiencing vulnerability and marginalisation.<sup>1</sup> In all regions of the state, evidence suggests that community organisations experienced rising demand for services, as organisations struggled to meet community need.

In late 2021, QCOSS completed a series of sector engagement workshops to understand the issues and pressures identified by the sector. These workshops took place across Queensland and a key method for QCOSS to engage with the sector. The information presented in this report is a summary of the qualitative feedback received from these sector engagement workshops. The workshop feedback is further supported by the results of the 2021 Australian Community Sector Survey.

The findings from these sector engagements highlighted many challenges. To enable an effective response to these challenges and ensure organisations are able to meet the needs of the community and continue to contribute to economic growth in Queensland, community organisations are seeking to design and strengthen a contemporary service system that respects the human rights of all Queenslanders, meets the immediate and longer-term needs of people experiencing disadvantage and provides excellent employment opportunities.

Meeting the immediate and longer-term needs of the community requires careful planning to understand and predict service demand. An indicator of demand is the changing demographic profile of a community. In the decade since March 2010, Queensland's population increased by 774,666 people. By 2030-31, it is estimated the state's population will increase by 15.3 per cent.<sup>2</sup> To ensure equitable support is provided to those in need, the changing population must be aligned to adequate investment.

As we look to the 2032 Olympics, we are presented with an opportunity for the Queensland Government to lead an improvement in the longer-term outlook of all Queenslanders. To ensure equality, opportunity and wellbeing for all communities, an investment in social infrastructure is required that will also provide benefit to future generations. Social infrastructure encompasses physical spaces, facilities, networks, and services that support quality of life and wellbeing for individuals and communities, along with a sustainable social service system. Social housing is also a critical component of social infrastructure within communities.

The purpose of this report is to highlight emerging issues and challenges being identified by the community services sector. The report provides QCOSS with a Queensland specific evidence base that identifies issues for further analysis, as well as issues that require a strategic response. One annual activity associated with this intelligence gathering is the development of a budget submission that forms a central component of QCOSS advocacy to strengthen the efficiency and effectiveness of the community services sector. As well as this, QCOSS' capacity building, research and policy work is also informed by the evidence-base established from our annual sector engagement activities.

## Methodology

Data collected for this report utilised a mixed methods approach. This includes qualitative data obtained from a series of community sector engagement workshops led by QCOSS staff, as well as data representing Queensland respondents of the Australian Community Sector Survey (ACSS).

Firstly, QCOSS coordinated a series of engagement workshops targeting any individuals working in the community service sector. These engagement workshops were held from September to October 2021.

The engagement workshops took place as face-to-face consultations in Brisbane, Ipswich, Gold Coast, Toowoomba, Sunshine Coast, Rockhampton, Mackay, Townsville, and Cairns. Over 100 people working in a Queensland community organisation participated in these engagement workshops, with more than half of the attendees (68 per cent) being from regional areas. Participating organisations represented a diverse range of service areas, including neighbourhood centres, housing, child, family, and youth services, ageing and disability and community development.

The engagement workshops were facilitated by QCOSS staff members, with discussions centring on the identification of issues that are impacting on the client, the front-line worker, and the organisation. Small group activities took place for participants to respond to the following questions:

1. What are the barriers for clients regarding accessing services and achievement of outcomes?
2. What aspects of service delivery prevent effective client work?
3. What impacts an organisation's ability to operate effectively and efficiently?

At each workshop, responses from this small group activity generated larger discussion to determine if identified issues were impacting on other participants. Notes collected from these workshops were collated and themed using qualitative data analysis software, NVivo. This theming process was completed by QCOSS staff.

Secondly, data was also collected from the national Australian Community Sector Survey (ACSS). The 2021 ACSS was conducted by the Social Policy Research Centre at UNSW Sydney, as part of a partnership between ACOSS, the COSS network, and Bendigo Bank. The survey was open for response for a 4-week period from September 2021.

From this survey, Queensland respondents made up 39 per cent of the national survey sample. In total, 722 respondents completed the survey from Queensland. Within this report, only data representing respondents who identified as operating within Queensland is considered.

Of these survey respondents, 12 per cent were CEOs, 11 per cent were senior managers, 20 per cent were team leaders or program co-ordinators, 39 per cent had a position with a focus on front line services. As well as this, the Queensland sample included people working in communications, policy or research (6 per cent), administrative duties (5 per cent), on the board of a community organisation (4 per cent) and 2 per cent identified their position as 'other.'

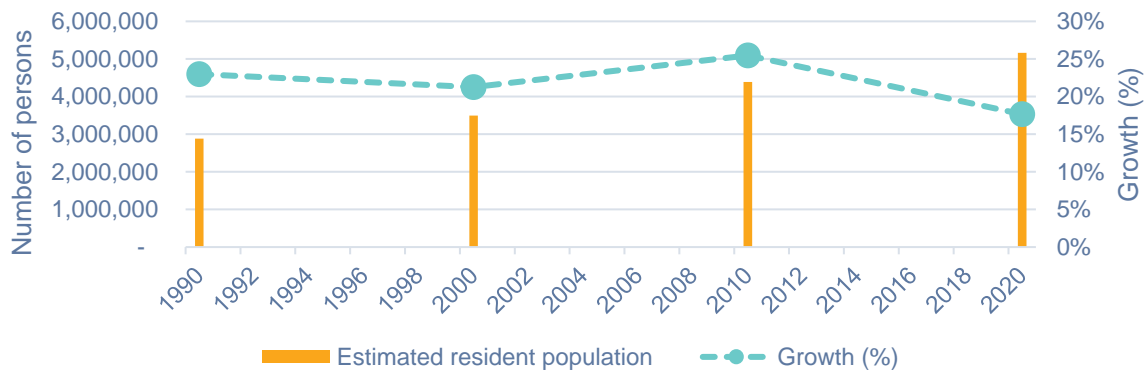
Of the Queensland respondents, a higher proportion worked in regional areas (52 per cent) compared to the national sample (30 per cent). Of the remaining respondents, 30 per cent work in capital cities, 6 per cent work in remote or very remote areas and 12 per cent indicated they work across all areas of Queensland.

Respondents represented a range of organisations operating in service delivery with a focus on: child, youth and family services (25 per cent), ageing, disability and carer services (18 per cent), mental health and health services (6 per cent), housing (15 per cent), employment and education (4 per cent), legal and advocacy (8 per cent), financial support and counselling (4 per cent), community development (10 per cent), Aboriginal and Torres Strait Islander services (2 per cent), and migrant and multicultural services (2 per cent). The size of these organisations varied, ranging from very small (18 per cent), small (17 per cent), medium (19 per cent), large (14 per cent) to very large (31 per cent).

## A decade of growth

Predicting the future growth of Queensland’s population is important to understanding future demand, community needs and access to services. Planning and investment for the sector needs to be informed by an understanding of what the Queensland population demographic profile looks like now and into the future. Queensland’s population has experienced continued growth over the last few decades (Figure 1), adding 774,666 persons in the decade from March 2010 to March 2020. The key components driving this growth has been migration (net overseas migration and net interstate migration) and natural increase occurring through births and deaths.

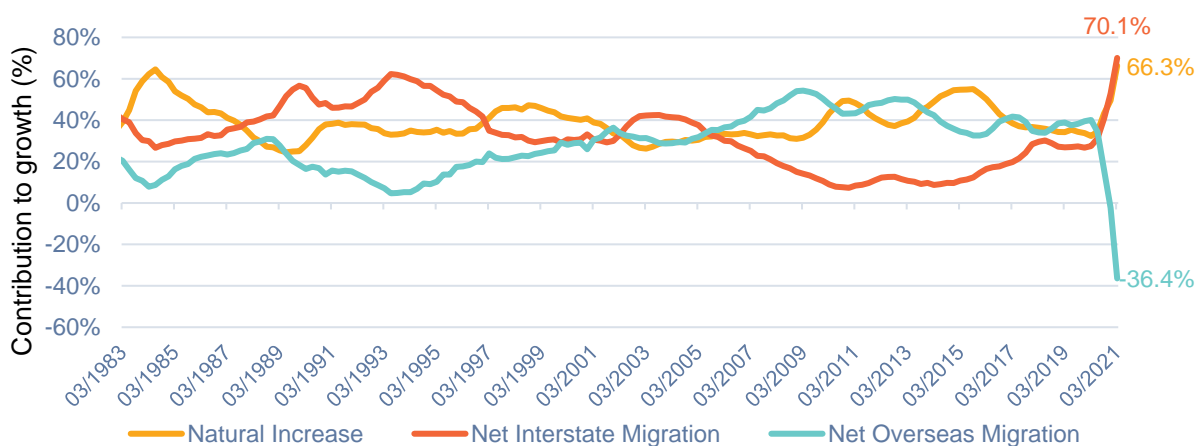
**Figure 1. Queensland’s estimated resident population and growth (%), year ending March<sup>3</sup>**



## Impact of COVID-19

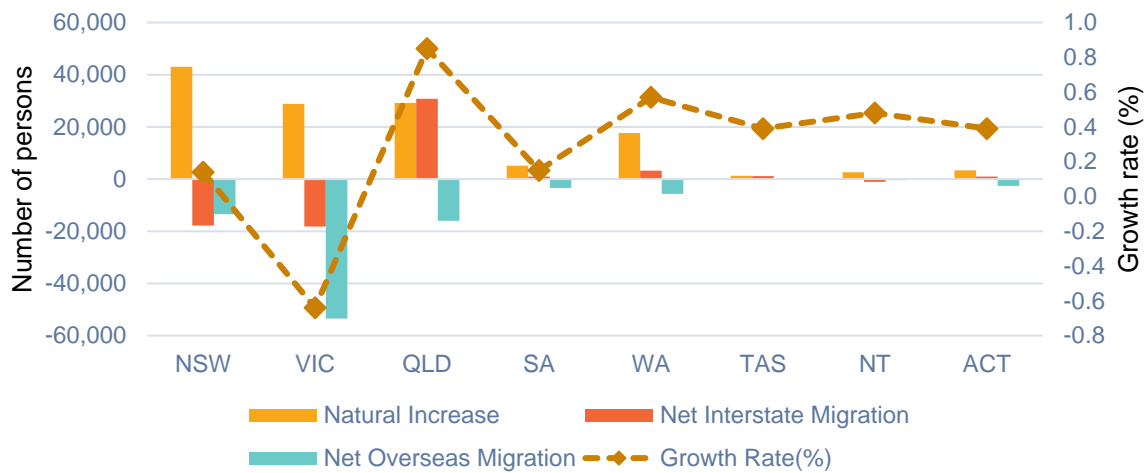
Population trends were significantly impacted by COVID-19 (Figure 2).<sup>4, 5</sup> For the first time over the timeseries, net overseas migration contributed negatively to Queensland’s annual population growth, at -2.4 per cent in the year ending December 2020 and -36.4 per cent in the year ending March 2021.<sup>6</sup> The negative contribution of net overseas migration has in turn shifted the contribution impacts of both net interstate migration and natural increase to population growth in Queensland. Net interstate migration experienced its highest contribution to annual population growth in the annual timeseries at 70.1 per cent year ending March 2021, compared to 31.1 per cent year ending March 2020. Natural increase had the highest contribution (66.3 per cent) to Queensland’s annual population growth than at any other time over the timeseries.<sup>6</sup>

**Figure 2. Contributions to population growth in Queensland (%), annual timeseries year ending to March 2021<sup>3</sup>**



Queensland’s share of national growth was 123.1 per cent, with an annual growth of 43,933 persons (0.9 per cent). This was considerably higher than Australia’s overall growth increase of 0.1 per cent and the highest population growth rate of all states and territories over the year to March 2021 (Figure 3).

**Figure 3. Population and components of change, by state and territory, 12 months to 31 March 2021<sup>3</sup>**



### Estimating future growth and impacts on community services

While Queensland’s population growth and trends have experienced a fundamental shift because of the COVID-19 pandemic, it is not known whether these trends are temporary or permanent. However, some available projections provide estimates of population growth over the next decade.

The Queensland Government estimates the state’s population will increase by 1,041,395 persons by 2032 (medium series).<sup>7</sup> The state’s population is expected to increase from 5,261,156 in 2021 to 6,302,962 in 2032, an increase of 19.8 per cent. For low series projections, Queensland’s population is predicted to increase by 741,497 (14.2 per cent) and for the high series projections an increase of 1,369,312 persons (25.8 per cent). These projections are based on the 30 June 2016 estimated resident population and were developed prior to COVID-19; caution should be taken when interpreting this information.

In December 2021, the Australian Government Centre for Population released projections for the 2021 Population Statement, including the expected population and components of population growth to 2031–32 for all states and territories. The Centre for Population has released additional projections for capital cities and the rest of state for 2020–21 to 2031–32. Importantly, these projection series aim to take in to account the latest available demographic information and the impact of COVID-19. However, the estimates are based on national level estimates and assumptions on components of change.

For the capital cities and rest of the state projections, Brisbane is expected to experience larger growth to year ending 2030–31 than the rest of the state, at 15.3 per cent and 12.1 per cent respectively (Table 1 and 2).



**Table 1. Brisbane population projections, 2020–21 to 2030–31**

Population Projections (number of people)	2020–21	2030–31	Growth	Growth (%)
<b>Population at start of year</b>	2,560,200	2,937,200	377,000	14.7%
Births	32,200	33,400	1,200	3.7%
Deaths	14,800	18,600	3,800	25.7%
<b>Natural Increase</b>	17,400	14,800	-2,600	-14.9%
Overseas Arrivals	13,800	58,600	44,800	324.6%
Overseas Departures	24,300	41,200	16,900	69.5%
<b>Net Overseas Migration (NOM)</b>	-10,500	17,400	27,900	265.7%
Interstate Arrivals	87,200	95,000	7,800	8.9%
Interstate Departures	72,300	88,600	16,300	22.5%
<b>Net Interstate Migration (NIM)</b>	14,900	6,400	-8,500	-57.0%
<b>Population at end of year</b>	2,582,000	2,975,800	393,800	15.3%

**Table 2. Rest of Queensland population projections, 2020–21 to 2030–31**

Population Projections (number of people)	2020–21	2030–31	Growth	Growth (%)
<b>Population at start of year</b>	2,615,000	2,922,700	307,700	11.8%
Births	29,800	31,200	1,400	4.7%
Deaths	19,000	23,800	4,800	25.3%
<b>Natural Increase</b>	10,800	7,400	-3,400	-31.5%
Overseas Arrivals	8,200	34,800	26,600	324.4%
Overseas Departures	14,000	23,800	9,800	70.0%
<b>Net Overseas Migration (NOM)</b>	-5,800	11,000	16,800	289.7%
Interstate Arrivals	101,500	117,800	16,300	16.1%
Interstate Departures	84,400	104,000	19,600	23.2%
<b>Net Interstate Migration (NIM)</b>	17,100	13,800	-3,300	-19.3%
<b>Population at end of year</b>	2,637,100	2,954,900	317,800	12.1%

Available population projections suggest that Queensland's population is expected to grow from an estimated 5,219,100 persons year ending 2020–21 to 5,930,700 persons year ending 2030–31, representing a growth of 13.6 per cent or 711,600 persons (Table 3). These increases in population need careful planning to understand future demand and access to services. This is because social services are strongly influenced by the changing characteristics of the population.<sup>8</sup> However, as these projections were developed prior to COVID-19, it is challenging for place-based services to rely on these projections for service planning. To support the use of population data in community service planning, QCOSS will continue to monitor the ongoing impacts of COVID-19 on Queensland communities. In 2022, QCOSS will continue to update this data as it is released and make it available to Queensland community services.

**Table 3. Queensland population projections, 2020–21 to 2030–31**

Population Projections (number of people)	2020–21	2030–31	Growth	Growth (%)
<b>Population at start of year</b>	5,175,300	5,859,900	684,600	13.2%
Births	62,100	64,500	2,400	3.9%
Deaths	33,900	42,400	8,500	25.1%
<b>Natural Increase</b>	28,200	22,100	-6,100	-21.6%
Overseas Arrivals	22,100	93,400	71,300	322.6%
Overseas Departures	38,400	65,000	26,600	69.3%
<b>Net Overseas Migration (NOM)</b>	-16,300	28,500	44,800	274.8%
Interstate Arrivals	104,100	117,600	13,500	13.0%
Interstate Departures	72,100	97,400	25,300	35.1%
<b>Net Interstate Migration (NIM)</b>	32,000	20,200	-11,800	-36.9%
<b>Population at end of year</b>	5,219,100	5,930,700	711,600	13.6%

## Growing demand for community services

As the state’s population continues to grow and change, community organisations across Queensland are reporting increasing demand, with many indicating demand is now at a crisis point.

Of the Queensland ACSS survey respondents, 80 per cent indicated that levels of demand had significantly increased or increased (Figure 4). The impact of this growing demand leads to longer waitlists, with a high proportion (60 per cent) of survey respondents indicating that the number of clients their service could not support had significantly increased or increased since the beginning of 2021. This figure is supported by numerous comments, such as:

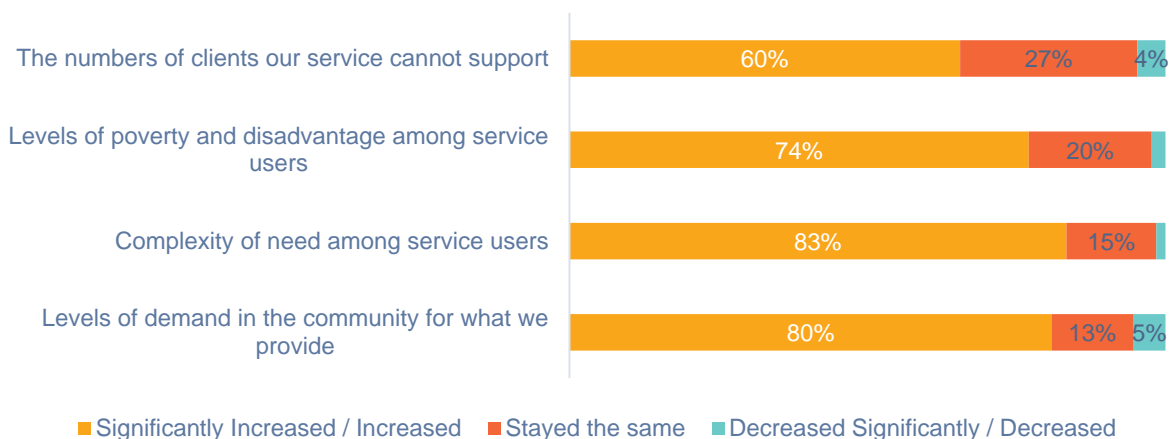
*Although our main programs are child and family oriented, we have a range of diverse programs including mental health, community development and aged care services. All of these services are now consistently running significant waitlists.*

*Demand exceeding capacity to provide services has been longer term than just 2021. There are fewer requests for service now because word is out that waiting lists have not decreased. Our service has been unable to recruit allied health therapists for a couple of years now.*

*Demand has increased, increasing wait times and limiting our options to refer elsewhere for complex needs.*

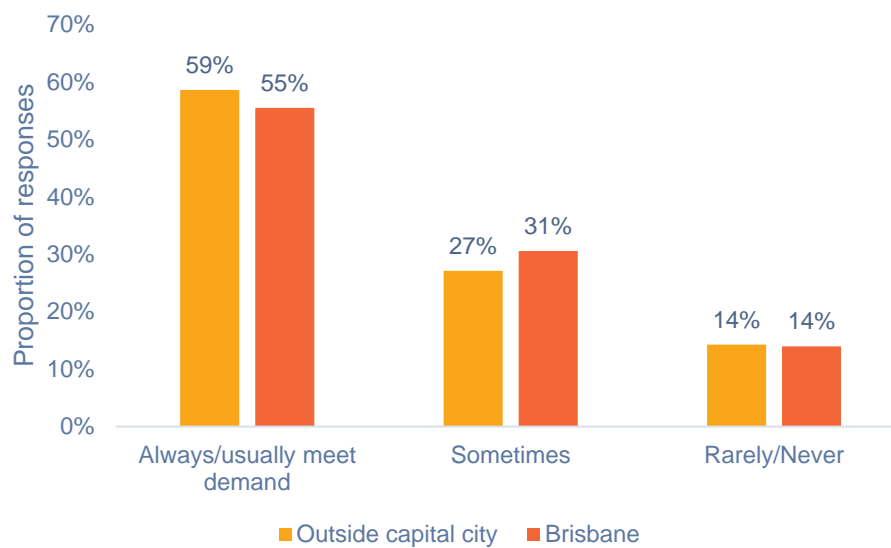
*Demand is huge, we are never able to see clients within timely periods. Some staff are on short contracts, which we don’t know if they will be renewed. Staff therefore resign because they are offered permanent work elsewhere, making the wait list program even greater due to staff losses.*

**Figure 4: Indicators of service demand**



Increasing demand for services was an issue that was felt across all areas of Queensland, with service providers in regional areas reporting significant stress and increasing demand. According to ACSS survey results, the same proportion (14 per cent) of services within and outside the Brisbane region indicated they were rarely/never able to meet demand (Figure 5).

**Figure 5. Which statement reflects the ability of your service to meet demand, so far in 2021?**



Survey respondents highlighted the unique needs of regional and remote Queensland communities that have an impact on client demand. Comments specific to regional areas included:

*As this is a regional area, the demand for our service is high and we are never able to provide enough service in this area, there are not enough providers.*

*Being situated in a rural area and servicing the entire region means we cover not just suburbs but separate towns ranging from 30 to 100 kilometres from our main office. It can be difficult to meet demand in towns without a centre for community members to go to. Often people are just looking for a safe place to be.*

*Community need remains unmet in regional areas where lack of transport (for clients to services and vice versa) is a barrier to engagement and connection.*

The increasing demand for community organisations was also exacerbated by increases in the complexity of issues clients are presenting with. Client complexity is often associated with the number of presenting issues a service will need to address for a client, which is also aligned with the number of services that a support worker will need to engage to provide person-centred care. This results in more resource-intensive service delivery.

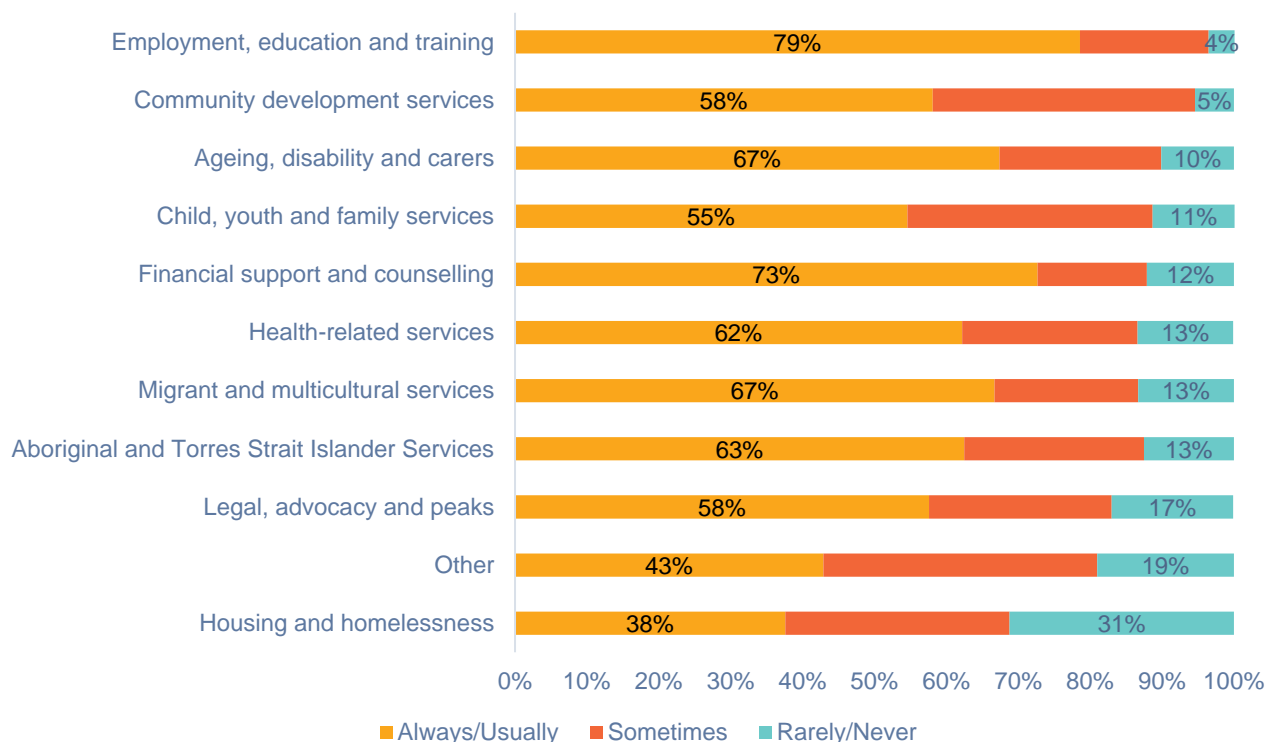
When asked about the complexity of need among service users, 83 per cent of Queensland respondents indicated this had increased or significantly increased since the beginning of 2021 (Figure 4). Similarly, 74 per cent of Queensland respondents believed that the levels of poverty and disadvantage among service users had increased or significantly increased in this time (Figure 4).

Access challenges resulting from this increasing demand and complexity of client need was a theme that also emerged from QCOSS sector engagement workshops. Many workshop participants stated that their ability to deliver services was often dependent on other community organisations. The most reported factors that impacted on service delivery were long waitlists, lack of available services and overworked staff, particularly in mental and allied health services. Consequently, service providers described a ‘bottle-neck’ in services stemming from a backlog of service access, referrals and progress letters.

According to results of the ACSS, these high levels of demand were being experienced by most service delivery areas in 2021. The most impacted organisations with the greatest demand pressures were found to be housing and homelessness services (Figure 6), with 31 per cent

reporting that their service was rarely or never able to meet demand. In comparison, only 4 per cent of respondents from employment, education and training organisations felt they were rarely or never able to meet service demand.

**Figure 6: Ability of Service Delivery Area to meet demands<sup>9</sup>**



When discussing the drivers of this increasing demand, several issues were highlighted by services participating in the QCOSS sector engagement workshops across Queensland. Consistent feedback in all regions included housing and a growing digital divide as key drivers. It was also noted by many that the impact of these issues on communities has significantly increased as a result of COVID-19.

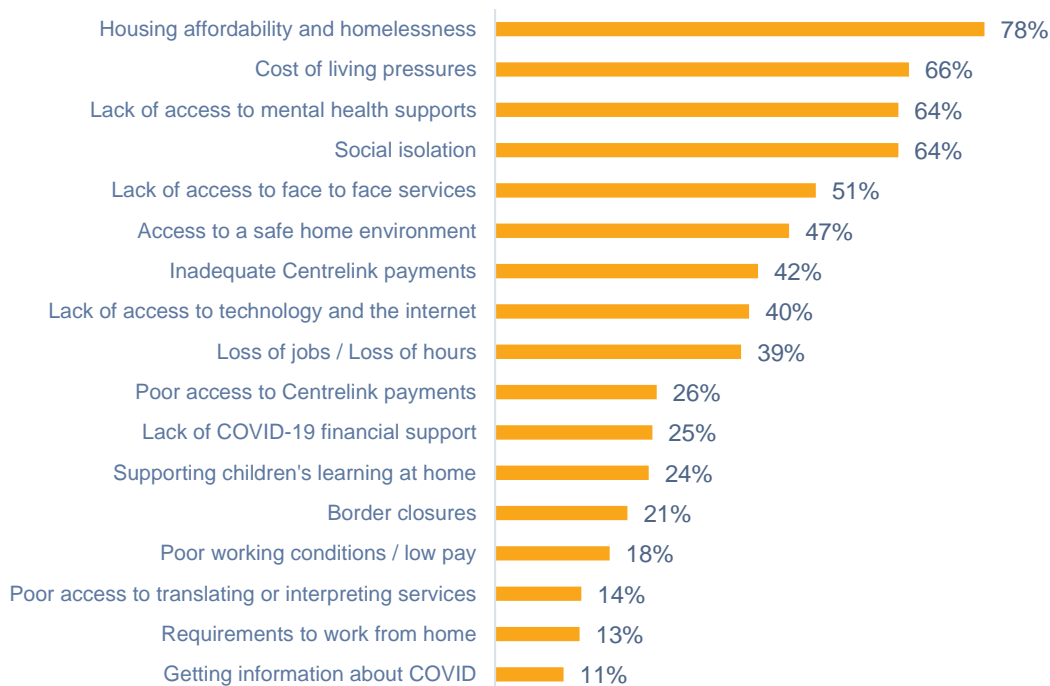
To improve our understanding of demand issues on Queensland community services, QCOSS will be partnering with QUT in 2022 to explore how services can improve data sharing across organisations. This project would seek to collate demographic information of service users, provide a clearer picture of service demand and thereby support the sector to identify key drivers of increases in demand.

Based on qualitative feedback received from community services, housing and digital exclusion impacts service users as outlined below.

## Housing

Pressure being placed on the entire social support system because of issues relating to housing and homelessness was a consistent finding from the ACSS. Queensland survey respondents indicated that ‘housing affordability and homelessness’ was the most significant challenge affecting people or communities they support (78 per cent) (Figure 7). This was followed by ‘cost of living pressures’ (66 per cent), ‘lack of access to mental health supports’ (64 per cent) and ‘social isolation’ (64 per cent).

**Figure 7: So far in 2021, which of these have been the main challenges affecting the people or communities that your organisation supports?**



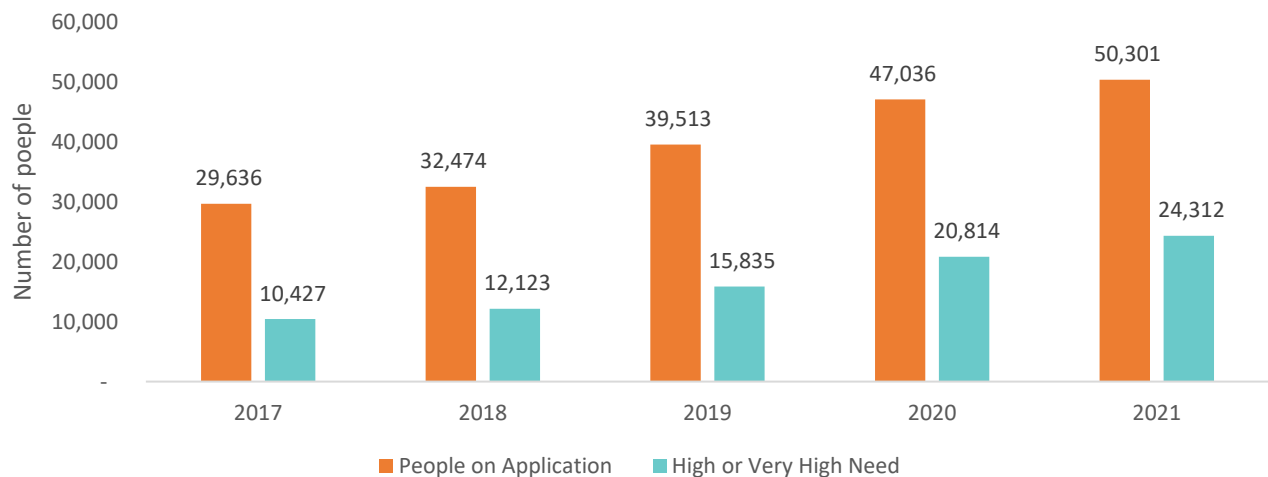
These findings were supported by qualitative feedback received at QCOSS sector engagement workshops that were held across Queensland. Regardless of service delivery area, community organisations noted housing as a core issue that was driving the increasing demand on community services. Workshop participants highlighted secure housing as being essential for survival.

These findings align with QCOSS' *Living Affordability in Queensland 2021* report, which highlighted the additional complexity of providing support to a person experiencing homelessness increases the workload of community organisations. This is because support staff are needing to respond the immediate housing needs of a client, while also meeting their ongoing needs.

Further evidence of the increasing housing insecurity in Queensland is demonstrated by the number of Queenslanders seeking access to social housing. In recent years, the Queensland social housing register has shown a steady increase in the number of people in need of social housing, increasing from 29,636 in 2017 to 50,301 in 2021 (Figure 8).<sup>9</sup>

Of these social housing applicants, the number of people assessed with high or very high need for social housing has more than doubled from 10,427 in 2017 to 24,312 in 2021. People assessed as high or very high need are those who have multiple complex factors that significantly impact their capacity to access and sustain stable housing or maintain a tenancy in a private rental property.<sup>9</sup>

**Figure 8: Social Housing Register: Number of people on total applications and number of people assessed with high or very high housing need, 2017–2021**



Through the ACSS results, community services provided considerable feedback to validate the significance of the housing crisis on Queensland communities. In particular, the following comments illustrate how the lack of affordable housing impacts on cohorts experiencing disadvantage, including:

- people presenting with mental health issues

*Homelessness and reduction in Centrelink payments have forced many families to the streets and stress has driven their mental health to breaking point.*

- people on income support payments

*Homelessness is on the increase and there is an unacceptable level of affordable housing particularly for people on the DSP (Disability Support Pension) rendering people with disabilities homeless.*

*Lack of short-term accommodation funding available through NDIS. This type of funding is for a 14-day period in a 12-month plan which is obviously not enough time to find long term adequate affordable housing for NDIS participants.*

- women escaping domestic and family violence

*The housing affordability/supply crisis is the biggest issue faced by those we work with, critically impacting those that contact in relation to DFV.*

- older Queenslanders

*The housing crisis is leading to more adult children moving in with their parents and this is increasing the likelihood of abuse occurring. Older people who don't own a house are also likely to be squeezed out of the rental market with some rental prices climbing by over 30 per cent in the last 12 months. This is likely to increase the risk of homelessness or the older person having no choice but to move in with other family members.*

Across Queensland, communities from Charters Towers to Ipswich discussed the flow on effects of the housing crisis. In Mackay, workshop participants highlighted that many people, such as women escaping domestic and family violence, were returning to dangerous situations only because there is nowhere else for them to go.

ACSS respondents highlighted the increasing levels of rental stress, a lack of affordable rental accommodation and the growing risk of people losing private rental accommodation across Queensland. Comments included:

*People are being disadvantaged by large increases in rent and lack of affordable rental accommodation. Recently assisted a young couple living in their car because the rent of the house they were in had gone up \$100/week.*

*The situation here in Cairns is dire - I myself live in another town and stay with family on workdays because rentals are few and far between and even if you get one, you still don't feel secure that you'll be able to keep it with landlords selling up or increasing rent often.*

*Auctioning of private properties is increasing pressure and prices. Investors are buying large 5 bed houses and renting rooms individually to take in more money. That just ends up increasing demand for rental properties, especially for family homes.*

*As housing is increasingly unaffordable in the cities there has been a major push to the regions - pushing up our rents and housing prices and placing a huge burden on already low and often poorly maintained housing stock. Regional areas absolutely do not have the service capacity to meet this demand - and it's not being adequately captured or reported at the moment.*

*Regional Queensland has been insulated from COVID outbreaks. However, there is a rental crisis throughout Central Queensland. Very low vacancies and escalating rents.*

As per the QCOSS' *Living Affordability in Queensland* report 2021, the cost of housing is placing extreme stress on already tight budgets of low-income households. This is dragging these households into further debt and financial hardship. As a result, people are forced into making choices that do not support improved individual outcomes and this leads to more people seeking access to community services.

As well as the impact that the lack of housing options is having on people accessing community services, it was also found to have a significant impact on people working in community organisations (Case study 1). Across Queensland, workshop participants and ACSS respondents highlighted the impact of housing on their organisation's ability to attract and retain staff.

*Our service and many others...have been unable to fill positions due to potential staff not being able to access housing. Imagine how much more difficult it is for our clients who have no rental history, low income, limited networks, and negative community perceptions.*

#### **Case study 1. Housing impacts on maintaining a community sector workforce**

*Quality rental accommodation has always been an issue in our community. The demand has increased the past two years to crisis level in the Hinchinbrook community and many others.*

*We have heard of many instances of professionals and key staff, critical to the management and day to day operations of government and private sector businesses, choosing not to take roles due to lack of accommodation, including teachers, health staff, shire staff, ambulance and police staff and others.*

*The quality of the properties is also unsuitable for long term and some that do relocate, choose to leave the district for other roles as a result. There have been many instances where the uncertainty or lack of accommodation has led these people to take roles out of our district. Potential employees need certainty to transition their family to a new location.*

*It is difficult to attract quality staff to our area and for long tenures. We have been fortunate to welcome many outstanding community members over the years, but there are plenty more opportunities.*

## Digital Divide

Inequities in and lack of access to digital services and technology for service users was raised by participants in multiple QCOSS workshops. These issues are further reflected in the ACSS survey responses, where 40 per cent of the respondents (Figure 7) indicated lack of access to technology and digital services as main challenges affecting the people and the communities they served. Vulnerable consumer groups also face significant barriers to access digital government services, with nearly a third of the respondents (26 per cent) noting communities faced poor access to Centrelink payments.<sup>10</sup> Respondents noted the following:

- many clients do not have the capability to use a computer or the internet, which adds complexity to the successful exchange of information. During COVID-19, technology created several barriers for service users, including those who needed mental health support and older Queenslanders
- affordability of digital technology, including both smart phones and data plans, are key issues for service users who are on low incomes
- lack of reliable internet in some regional and remote areas is a significant barrier for service users from these areas.

QCOSS research on the digital divide shows that Queensland lags other jurisdictions on aggregate measures of digital inclusion, with older people, First Nations people, people in the lowest income quintiles and those in regional areas being the most excluded.<sup>11</sup> The report also shows that Queensland ranks lower than the other states on digital affordability where they are experiencing poorer bandwidth due to affordability and more limited access options compared to other east coast jurisdictions. The research also showed that when vulnerable Queenslanders were unable to afford or confidently use technology, an overwhelming majority (76 per cent) simply chose to go without. Impeded access to education and employment opportunities, which have important lifetime and cross-generational outcomes, are the most reported impacts of digital exclusion.

There are also secondary impacts of digital exclusion on community organisations that provide support to digitally excluded service users. When providing support, staff are required to increase the overall time spent on a client to meet a higher complexity of support needs. This is because additional support activities often require one-to-one assistance on day-to-day tasks that involve technology and online connectivity, such as communication with Services Australia or other essential services including banks.

Although programs exist that aim to increase digital literacy, eligibility for these programs are commonly targeted to school-aged youth or older people. Through consultation with Queensland community services, a need was identified for programs that provide funding to support the development of digital literacy skills regardless of age.



## Our people

By industry, health care and social assistance was the largest employer group in Queensland in 2021.<sup>12</sup> This workforce plays a crucial role in improving outcomes for Queenslanders, thereby contributing significantly to the economic and social wellbeing of the wider community.

To enable the sector to achieve greater outcomes, the community sector workforce must be adequately supported and strengthened. An investment into the future workforce would not only result in improved outcomes for Queensland communities, but also reduce existing gender inequalities. This is because the health and social assistance industry is Queensland's largest employer of women. Of the people employed by the industry, three out of four workers are women.

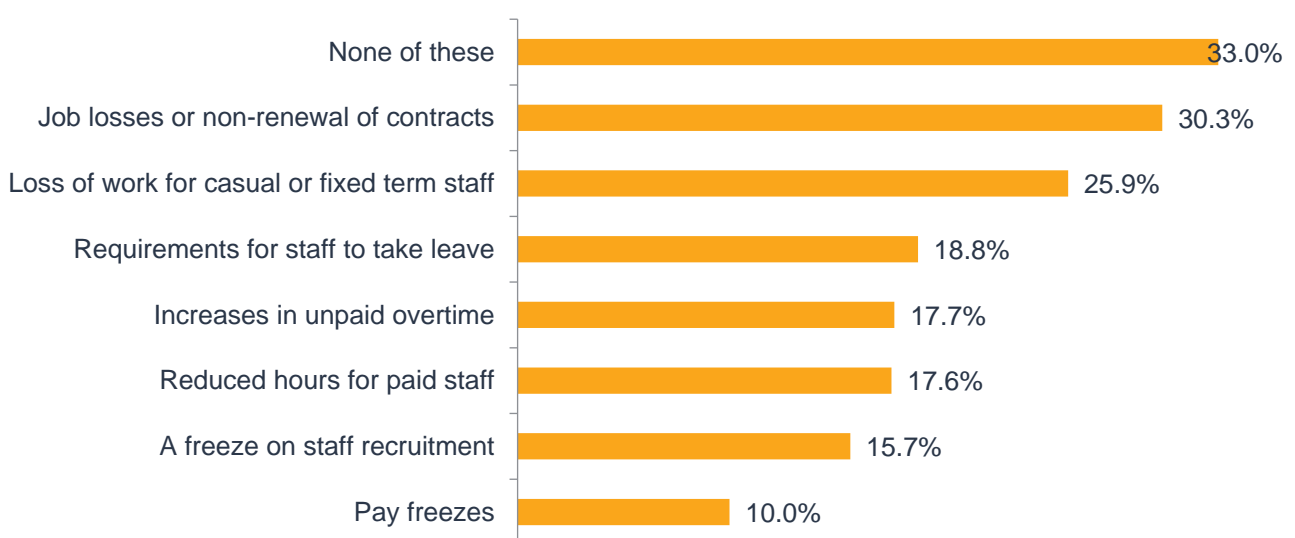
QCOSS sector engagement workshops, as well as findings from the ACSS, highlight critical challenges for the community sector's workforce in Queensland. Challenges such as job insecurity and staff shortages are key drivers of the increasing demand on community services, as client caseloads increase within organisations struggling to maintain a stable workforce.

In response to these long-standing workforce issues, QCOSS developed the Reforming the social service sector discussion paper in collaboration with the QCOSS Community Services CEO Network. This paper sets out reform priorities that would work to stabilise the community sector workforce by having a standard contract length of five-years. This would also align with a recommendation of the 2020 Productivity Commission inquiry into mental health, which stated commissioning agencies should 'extend the length of the funding cycle... to a minimum of five years. Commissioning agencies should ensure that the outcome for each subsequent funding cycle is known by providers at least six months prior to the end of the previous cycle.'<sup>13</sup>

### Job insecurity

Results from the ACSS (Figure 9) indicate numerous issues that are affecting the stability and ongoing sustainability of the existing workforce. For example, one third of respondents (30.3 per cent) reported that job losses or non-renewal of contracts had impacted staff in their organisation, while one in four (25.9 per cent) reported a loss of work for casual or fixed term staff. This lack of job security and stability particularly impacts older women who may struggle to re-enter the workforce.<sup>14</sup>

**Figure 9. Which of these issues have you seen affect staff in your organisation, so far in 2021?**



An unstable workforce also has an impact on the service user as consistent service delivery, with a consistent workforce is critical to providing trauma-informed care and maximising client outcomes.

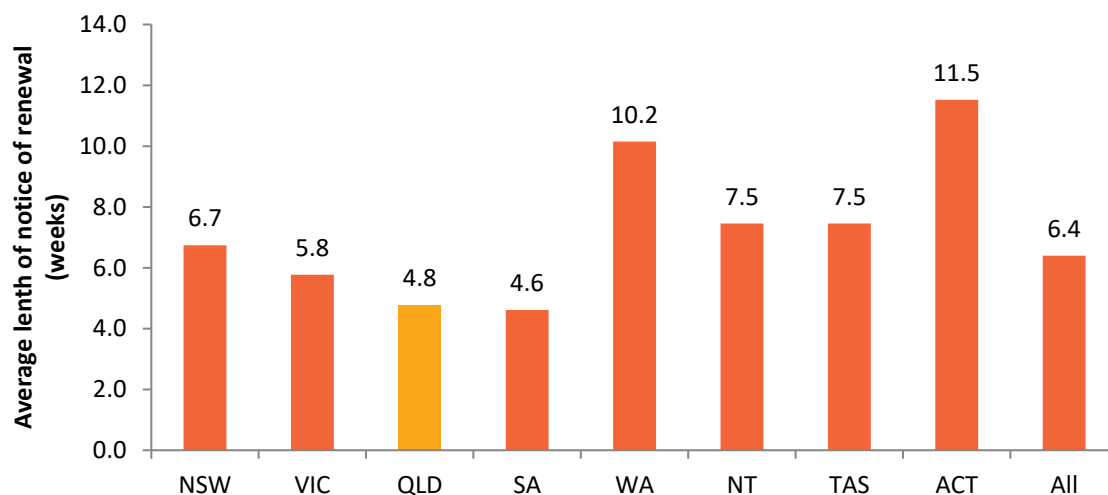
Amongst ACSS respondents who had indicated they would not be working for the same organisation in 12 months' time, 31 per cent stated changing employer would be due to a lack of career opportunities, followed by changes in funding and contracts (19 per cent).

Funding is directly related to workforce challenges as many workers are finding alternative work due to a lack of certainty relating to contract extensions.

*Short term (1-3 year) contracts are harder as you get older - it would be good to know at least 3 months before a contract ends if it is going to be refunded - I cannot wait until the last minute to see anymore as I am concerned about picking up another contract at my age. I have left jobs in the last two months of a contract only to know that the contract has been refunded and I could have stayed - it is unnecessarily stressful, and the sector loses out on experienced staff.*

According to the CEOs and senior leaders responding to the ACSS, notification of funding contract renewals was a shorter timeframe for Queensland organisations when compared to other states. The average timeframe for Queensland contract renewals is 4.8 weeks, just ahead of South Australia at 4.6 weeks and below the national average of 6.4 weeks (Figure 10).

**Figure 10. Last time a funding contract came up for renewal, how many weeks in advance were you notified where or not it would be renewed?**



The impact on an organisation's workforce was clearly expressed through ACSS comments from Queensland CEOs and senior leaders, such as:

*Being notified as to the continuation of a contract is hit and miss depending on whether it is a state or federal contract. State governments are traditionally less than timely in their notifications and sometimes go to the wire.*

*At times there appears to be a lack of understanding by government of our workforce obligations as employers - which includes adequate notice for termination of funding contracts.*

*Advance notice of contract renewal from government is terrible. It would not be tolerated in any commercial environment. Frankly, it is disrespectful.*

*The follow through on execution of renewal contracts and payment of first tranche of funding is also terrible. There is very poor appreciation in government departments of the potential cash flow risks for funded organisations, due to government delays.*

Communications start early, however the final approval of a contract renewal is usually quite short notice. Employment Positions are attached to contracts and the short notice does not allow for the fulfilment of IR processes to be done appropriately.

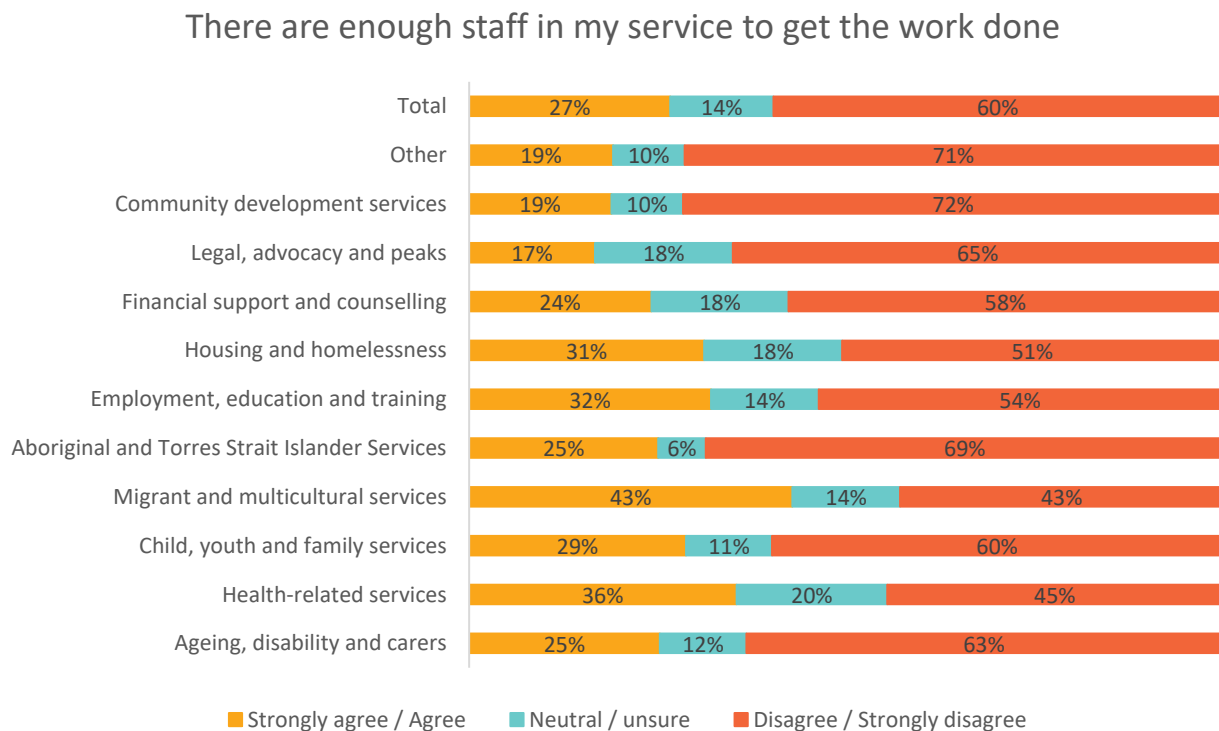
The notification of funding renewals needs to change. It is completely unreasonable for an organisation to be notified about its funding 1 week before the current contract is about to end and the new contract is to commence. Every year we are putting staff through a very stressful time as they have to consider if they are going to risk staying with us in the hope we receive the funding or move on to more secure employment. The employment market is very tight at the moment, and we are now nearly 3 months into a 1-year funding contract and still haven't been able to recruit the staff to deliver the services. We need longer funding cycles and the decisions need to be provided at least 3 months in advance.

Funding for extension needs to be discussed and communicated earlier, as it results in staff leaving to gain other employment that can't wait around till the last few weeks to hear if they have a job or not. 12 Months funding is not adequate to commence new programs and bring on a new team. Short contracts such as this do not open an organisation up to hire and retract staff due to contract end dates.

## Staff shortages

A lack of access to skilled staff, turnover, and recruitment challenges was a recurring theme when discussing the sector workforce. Of ACSS respondents, 59.5 per cent (n=714) disagreed or strongly disagreed that they had enough staff in their service to get the work done (Figure 11). When disaggregated by service area, more than half of the respondents across all service delivery areas except for 'health-related services' and 'migrant and multicultural services' indicated they did not have enough staff to get the work done. Further to this, organisations are also reporting a considerable decline in the number of active volunteers in the community service sector because of COVID-19 restrictions.

**Figure 11. There are enough staff in my service to get the work done.**

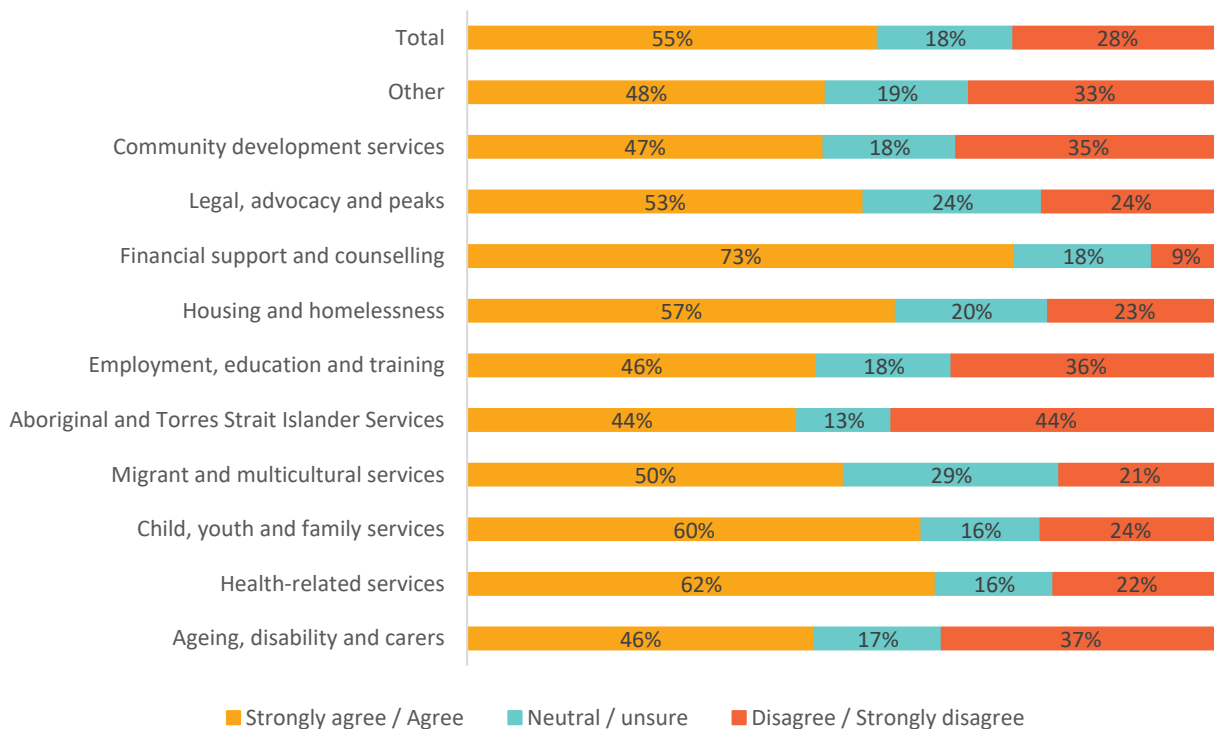


A consequence of staff shortages and being unable to recruit new staff has been a downgrading of preferred qualification levels. Organisations are therefore needing to rely on poorly trained or unskilled staff for some roles, which impacts on organisational performance. This was identified as a particular issue for regional and remote service providers.

## Professional development

Of Queensland ACSS respondents, 27 per cent disagreed or strongly disagreed that their professional learning and development needs were met. Disaggregated by service area type, this agreement varied from 73 per cent among 'Financial support and counselling' services to 44 per cent amongst people working in 'Aboriginal and Torres Strait Islander services' (Figure 12).

**Figure 12. I receive the professional learning and development that I need.**



Professional development also aligns with perceived opportunity for staff to progress in their career. However, of ACSS respondents, only 37 per cent believed they had good prospects for career advancement. By service type, this proportion was considerably lower for community development services (28 per cent), health-related services (24 per cent) and financial support and counselling services (27 per cent). Many respondents noted that the lack of career progression was due to the casualisation of the workforce, which resulted in people moving to sectors that offered full-time, permanent jobs.

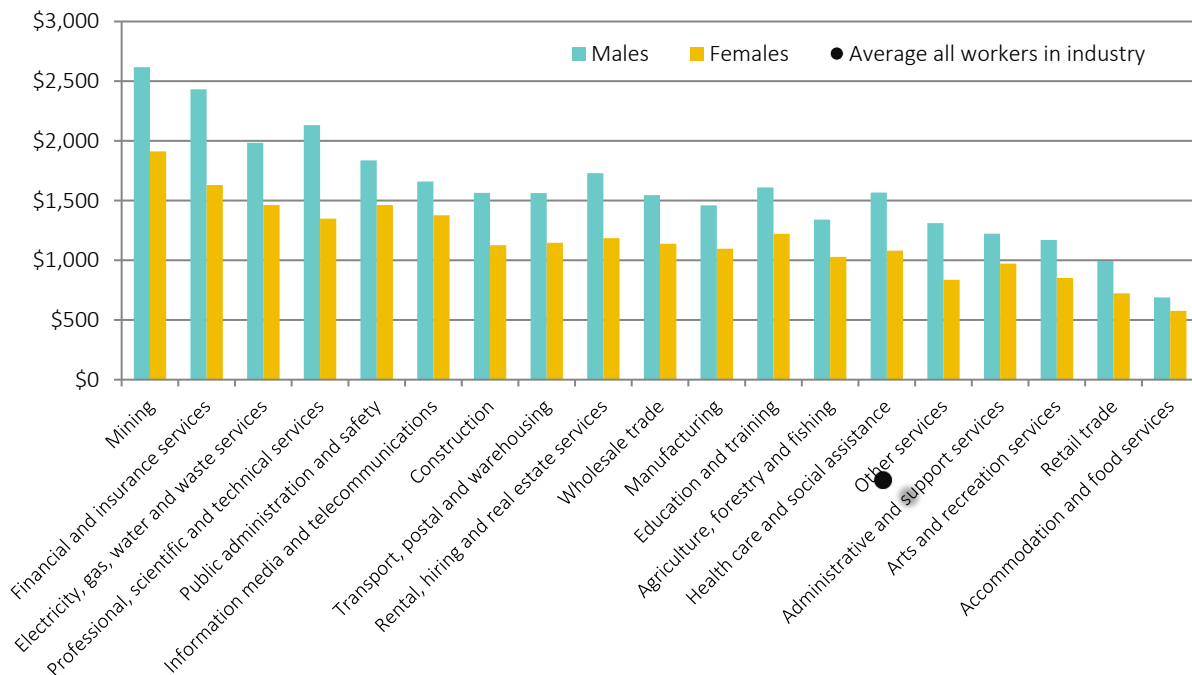
## Valuing care work

Employment in the community services sector is often motivated by an individual's service driven ethos. Of the ACSS respondents, over half (56 per cent) indicated they receive decent pay for the work that they do. However, this same cohort also stated they had worked an additional 6.2 hours unpaid in the previous week, on average. The dedication of the workforce is summarised in the following comment:

*There are so many dedicated individuals who accept, as part of our desire to work in this vocation, our current work conditions, and the funding environment. I personally get more than I put in and find the rewards make the difficulties worthwhile.*

The value of care work must be considered within broader underlying systemic issues that consider this to be ‘women’s work’. Queensland’s workforce is characterised by strong gender differentials across industries and sectors. In a sector that predominantly employs women, men continue to earn more than women on average (Figure 13). As a result, the undervaluing of the community sector workforce is a contributor to Queensland’s gender pay gap, which is at 13.4 per cent and lagging all jurisdictions except Western Australia.<sup>15 16</sup>

**Figure 13. Average earnings by industry for Australia, by gender<sup>17</sup>**



These systemic issues relating to the undervaluing of care work was a clear theme that emerged from the ACSS commentary. Comments included:

*We need a different narrative for the community services sector - a new narrative that values its workforce.*

*This is a grossly undervalued and under-resourced sector. This ongoing state of affairs leads to the ongoing exploitation of a predominantly female gendered workforce. This is a gendered issue and needs to be rectified, however there appears to be little to no recognition of these types of underlying inequities that perpetuate many issues (including for example, workforce shortages; skilling and training; appropriate wages; career paths; work life balance; WH&S endemic concerns; lack of trauma informed workplaces, etc.) by commonwealth or state governments. The systemic level issues lead community services to perpetuate the ongoing devaluation of their workforces.*

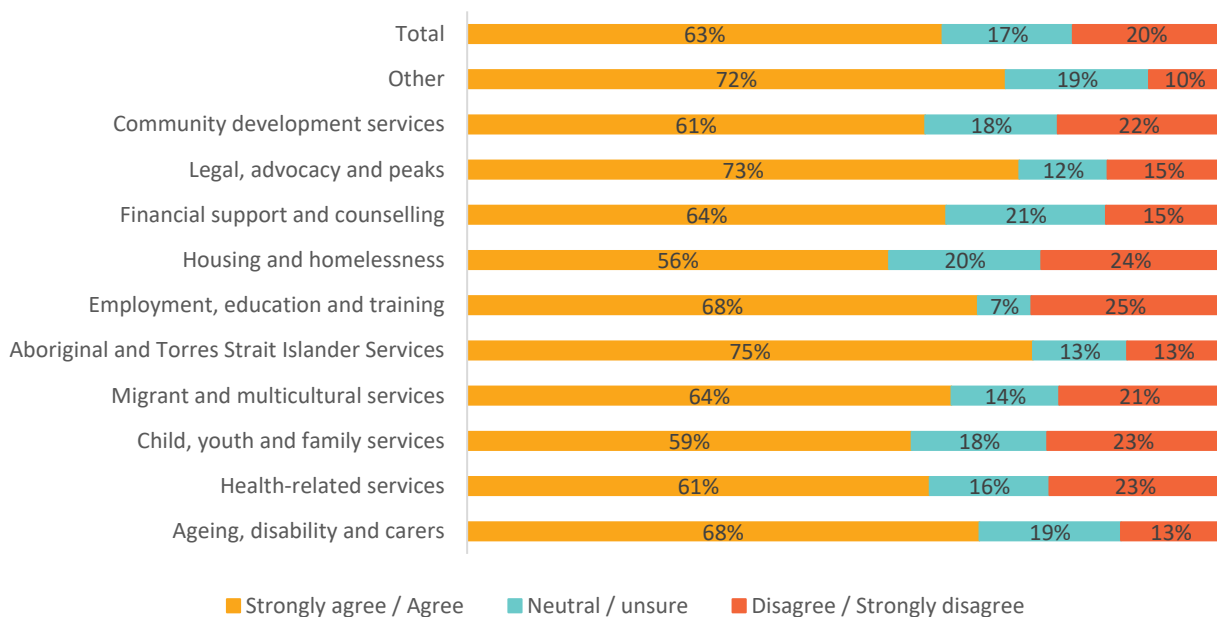
## Staff burnout

Burnout and stress were themes that sector representatives consistently raised when discussing workforce challenges. Burnout is recognised as an occupational hazard that particularly impacts on people-oriented professions, such as human services. It can be defined as ‘a psychological syndrome emerging as a prolonged response to chronic interpersonal stressors on the job. The

three key dimensions of this response are an overwhelming exhaustion, feelings of cynicism and detachment from the job, and a sense of ineffectiveness and lack of accomplishment.<sup>18</sup> Burnout remains a significant issue for community sector staff, caused by several issues including compassion fatigue, inability to get clients timely help, worry about job losses and lack of stability and security.

Of ACSS respondents, nearly two thirds (63 per cent) reported feeling emotionally drained from their work (Figure 14). By service delivery type, this increased for several services, such as ‘Aboriginal and Torres Strait Islander services’ (75 per cent), ‘Legal, advocacy and peaks’ (73 per cent), and ‘Ageing, disability and carers’ (68 per cent). Concerningly, some organisations reported not having funding to provide an Employee Assistance Program to their staff.

**Figure 14. I feel emotionally drained from my work.**



Staff burnout was generally the result of compounding systemic issues that are outside the control of the employee. Contributing issues were often identified, such as increasing demand, longer waitlists, shorter employment contracts and job insecurity. The impact of staff burnout is highlighted by the following comments:

*More resourcing needs to be invested in the people that work in the sector. The sector has been under resourced particularly in people management as resources are tight to ensure adequate levels of staff are available to meet the demand. The sector has a high demand for one-on-one intervention with clients who have significant multifaceted levels of support required to assist them to journey through homelessness. Without significant investment into staffing of front-line workers the sector will continue to have a high burn out rate of people who choose to work in the sector for such low pay rates and will not be an attractive front-line position to attract younger people into the sector to look into as a career option.*

*It's just too hard. I used to be able to help people. I am so tired of telling people that there are no housing options, that they will have to wait 4 weeks to see a financial counsellor, that they will have to wait 4+ months to see a psychologist via a mental health care plan and still have to pay a gap fee that they cannot afford. That the Department of Housing are taking 2 to 4 months to process an application, that the mental health services at the public hospital are over worked and that's why they were sent home while being at risk.*

*We need security in our roles, most of us risk burnout and compassion fatigue at any one time. The added fear of funding ending makes the stress very hard to manage.*

## A social services system for the future

Across Queensland, community sector stakeholders have identified a need for change.

As demand for services continue to increase, community organisations are seeking to design and strengthen a service system that respects the human rights of all Queenslanders, as well as meeting the immediate and longer-term needs of people experiencing disadvantage.

With implementation still in its infancy, Queensland's *Human Rights Act 2019* protects 23 human rights in law.<sup>19</sup> As the Australian Human Rights Commission notes, to achieve human rights in all areas, entire social structures have to be transformed and all areas and levels of government need to apply human rights-based approaches in their service delivery.<sup>20</sup>

QCOSS consultation with the community service sector shows there are significant gaps in the service system that prevent the realisation of human rights.

In consultation with community sector organisations across Queensland, the following key areas were identified as factors to ensure service users and their human rights remain at the centre of service design and delivery.

### Integrated services

Community organisations across Queensland identified a need for improved integration of services. An integrated and place-based system of community and government services was clearly seen to improve client outcomes, as well as the management of referrals and support system navigation.

However, effective integration of services was highlighted as being dependent on strong place-based partnerships and ongoing collaboration across the community service sector. While people working in community organisations identified service integration as something that their service was committed to doing well, capacity to coordinate service integration within current resources was often seen as limited.

Case coordination was commonly provided as an example of how services are well integrated. This involves multiple services coming together to discuss the needs of a client and coordinating service delivery in a holistic way.<sup>21</sup> When done effectively, case coordination can improve client outcomes by ensuring the needs of the client are addressed holistically and the client remains at the centre of a coordinated service system.

While the benefits to the client were clear, case coordination was stated by a regional organisation participating in the QCOSS engagement workshops to be 'very intense and expensive in terms of time.' As a result of the significant pressure on resources, services do not have capacity for case coordination for everyone. It therefore becomes an activity that is often lost due to time pressures. The following comments highlight the benefits and challenges to improved integration of services.

*Amazing work being done when housing workers collaborate with family workers. This is allowing families to maintain their tenancies as they have support from family support workers. Issues are dealt with before the family are evicted, reducing the demand on housing in the area.*

*Where workers are able to collaborate across services where there is common work, there needs to be agreements about roles and clarity of scope for each client. It requires extraordinary effort from front line workers to maintain this clarity for the sake of those receiving services.*

Coordination activities associated with establishing formal partnerships to improve service integration were often noted as things that were not related to direct service provision and were

therefore not adequately funded. Improved service integration requires sufficient resourcing to allow adequate training of staff and relationship building across organisations at all levels.

## Data-driven services

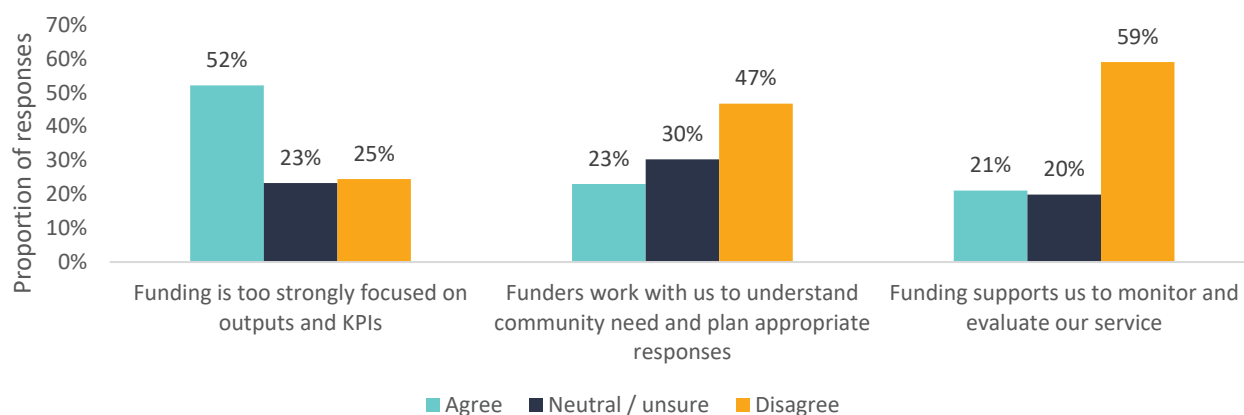
Research completed by QCOSS in 2021 explored how community organisations are developing systems that use consumer data for continuous improvement. Findings demonstrated the commitment of community organisations to ensuring services are informed by an evidence-base that represents community need.

During the QCOSS engagement workshops, when discussing issues that impact on an organisation’s ability to operate efficiently and effectively, the use of data was a common theme. Organisations frequently expressed their desire to improve data systems and their use of data in decision making. Participants recognised the importance of the information they were collecting, but highlighted barriers to data analysis that primarily related to capacity and capability of the organisation.

In response to these capacity and capability issues, QCOSS is developing a program of work that will aim to support organisations to use place-based data in their service planning. These activities will include the presentation of key community data sets that will inform community need. Datasets will continue to be identified over time to ensure they strengthen the evidence-base for organisational planning. As well as this, toolkits that provide detailed processes to identify data and how to apply the data within a place-based setting will be released. This will reduce barriers related to capacity of community organisations to access data and capability to use it to inform decision making.

However, at a program level, data collection and analysis were often noted as resource intensive activities and many stated that their approach to data analysis centred around a program’s funded reporting requirements. Unfortunately, organisations felt that reportable KPIs were not always appropriate or relevant to the success of the program and the insights from these program reports did not support data-driven services. Of the Queensland CEOs and senior managers responding to the ACSS, 52 per cent agreed with the statement that ‘Funding is too strongly focussed on outputs and KPIs’ (Figure 16). Many workshop participants agreed with this sentiment, adding that reporting is not conducive to data driven decision making, as it does not provide meaningful insight into the outcomes and improvement opportunities of a program.

**Figure 16. How strongly do you agree or disagree with these statements about your main funding source?**

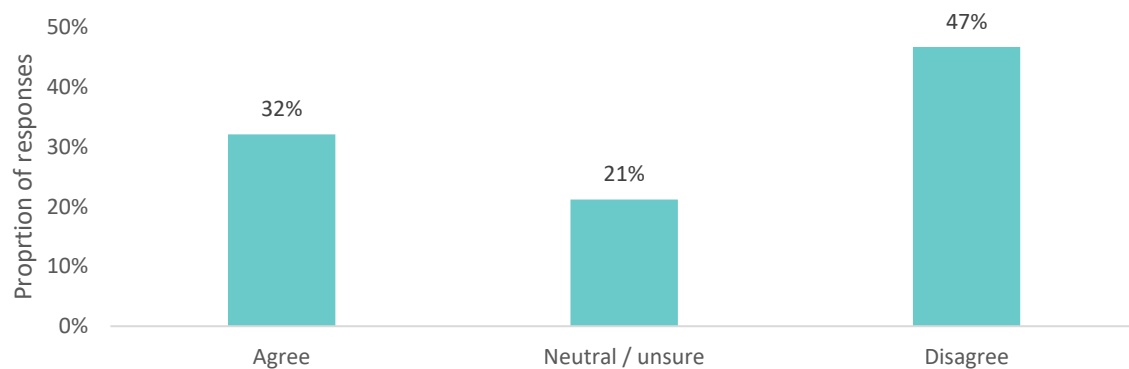


Organisations voiced their aspirations for a system that made more effective use of the rich data held by community organisations, and of lived experience. Strategies that organisations believed would support this included:



- Improved co-design processes between government and organisations. Results from the ACSS indicate that 47 per cent of respondents disagree that funders work with them to understand community need and plan appropriate responses (Figure 16). Workshop participants were motivated to work in partnership to drive longer-term planning for community services.
- Greater importance on evaluation. Evaluation was identified as a critical tool to support service planning and improvement, although funding was often considered a barrier for services to invest in undertaking thorough evaluations of their services (Figure 16).
- Improving the capability of services to incorporate the lived experience within service planning and delivery. Capacity was identified as a barrier to improving methods to incorporate the lived experience. Of the Queensland CEOs and senior manager ACSS respondents, 47 per cent disagreed that funding arrangements enabled genuine involvement of consumers or people with lived experience (Figure 17).

**Figure 17. Funding arrangements enable genuine involvement of consumers or people with lived experience.**



## Greater focus on prevention

Community organisations want greater investment in prevention and early intervention services. Among participants in QCOSS engagement workshops, there was a clear understanding of how a focus on prevention can improve longer-term community outcomes, as well as reduce the cost of delivering services.

*From a child protection perspective, so much more investment needs to be made in the preventative space. Any initiatives focusing on early intervention and community connection will have much more far-reaching positive impacts to the community than continuing to channel millions of dollars into a child protection system which is a home brand band aid solution.*

At present, organisations commonly felt they were responding reactively to issues within their communities. As stated by one workshop participant of a small, regional service ‘...this results in a crisis driven service system that treats an issue instead of preventing an issue’.

In these times of increasing demand, this reactivity requires organisations to become crisis response services. This results in increasing waitlists as there is reduced capacity to intake new clients. As referral pathways reduce, client outcomes are impacted and this has flow-on effects into alternative pathways, such as the criminal justice system (Case study 2).

A strength of community organisations was highlighted as their ability to respond in times of need. However, funding was seen to ‘...come after the issues, not when the needs occur’. Workers from across the community services sector believed that a greater level of flexibility in service delivery would allow the sector to respond within a preventative framework. A greater level of flexibility was

also seen as a strategy that would improve the ability for organisations to provide a more person-centred response. This is because funding is currently seen as fragmented and aligned to specific needs, resulting in a service user needing to fit within the existing service system, rather than the service system fitting the needs of the person. The benefit of flexible funding is highlighted further in QCOSS' Reforming the social service sector discussion paper.

A greater focus on prevention was also identified as a strategy that needed whole of government buy-in. Early intervention programs need to be acknowledged as contributing to outcomes that span across the service delivery goals of multiple government departments. Therefore, the success of a preventative approach requires the removal of silos to ensure that a funded program from one department is also supported to achieve community outcomes that may benefit another department.

### **Case study 2. Criminal justice system becomes a 'welfare' response.**

*Jim (name changed) lived in a regional community in Queensland and is currently in jail serving a sentence for minor charges that he has accumulated over the last few years. About three years ago, Jim was evicted from the unit in which he lived, and as a result, became homeless. Jim became addicted to drugs and his mental illness became unstable. Jim's mental health had been maintained when he was in stable accommodation.*

*Over time, Jim became very familiar to the police who intervened whenever there was an issue or complaint. His behaviour became more erratic, however, there were very limited services that Jim could be referred to that could assist him with his mental health and help get him back on his feet and into stable accommodation. Local charitable agencies did their best, calling services without any response. Other than offering assistance with food and prescriptions there was little they could do but watch him deteriorate.*

*Jim's situation continued to deteriorate until he ultimately faced an accumulation of charges that resulted in a jail sentence. Jim is currently in jail, with a local chaplain attempting to get in touch with him within the restrictions that are in place due to COVID-19.*

### **Improved procurement processes and partnerships with funding body**

Across Queensland, participants in the QCOSS engagement workshops clearly articulated a desire to improve the collaborative working relationship with their funding body. This often related to the impact of government procurement processes on the efficiency and effectiveness of service delivery.

To bring together key stakeholders, the Queensland Government have recently formed an industry reference group that will inform the Social Services Category Council. This Council will work with the industry reference group to support improved whole-of-government procurement processes designed specifically for community services. The following issues, and those highlighted by the community sector in the QCOSS Reforming the social service sector discussion paper, will be key agenda items that QCOSS will raise for discussion at the industry reference group.

#### **Contract renewals and length**

Short-term funding is a barrier to improved community outcomes and impacts on the community sector's ability to maintain a stable workforce. This has a significant flow-on effect for client outcomes. Three-year contracts were identified as a typical contract length, although many provided examples of shorter 12-month funding cycles. This places a significant burden on an organisation, with the CEO of a large regional organisation stating '...it takes three months to recruit, leaving nine months of the contract. Then two months out from the end, the staff leaves for a full-time role with Queensland Health. It just isn't worth it.'

Of ACSS respondents, 56 per cent disagreed with the statement that ‘Funding timeframes are long enough.’ To improve, organisations identified the need for five-year contracts, with an opportunity to update reporting requirements to ensure community programs continue to meet identified needs. If organisations received longer contracts, they could stabilise their workforce, implement longer-term plans and achieve better outcomes. QCOSS note that some Queensland Government Departments, such as the Department of Communities, Housing and the Digital Economy are moving towards five-year contracts as standard practice.

Uncertainty between contracts was a significant issue highlighted by community organisations. As a result of short lead in times for contracts, an organisation’s workforce is seriously destabilised as people seek alternative, ongoing employment elsewhere. For more detail of how contract renewals impact the community service sector workforce, see the above ‘Our people’ section of this report.

Inefficient processes for contract renewals and contracts ending also has a negative impact on service delivery and client outcomes.

*Department staff still fail to recognise that there are both staff and clients dependent upon our service, and they need a lot of notice to manage reductions in funding/wind down of projects.*

*Lack of notice from funders can cause handover issues, detrimental to clients.*

To overcome these issues, organisations suggest there should be a six-month phase out stipulated in contracts and a requirement to notify of renewals three-months prior to a contract end date. This would result in a more stabilised workforce and facilitate an adequate handover of clients to appropriate services, as required.

### Competitive tendering

Community organisations self-identify the importance of partnerships to improve the effectiveness of their service and to strive towards their organisational mission. However, participants of the QCOSS engagement workshops often discussed the negative impact of competitive tendering on collaboration across organisations.

Organisations stated that competitive tendering leads to closed relationships and reduces transparency between partner organisations. There was also a belief that it ends with undercutting of services and, in the longer-term, has a negative impact on client outcomes. Further to this, it has a particular impact on specialty services that are working directly with communities experiencing multiple barriers, such as organisations supporting people living with a disability from a culturally and linguistically diverse background. This is because competitive tendering undermines the additional and unique skills required to support clients within a person-centred and integrated service.

Understanding the motives for government to seek consortiums, organisations noted that consortiums can happen, but they take time. At present, the short turnaround time and competitive nature of tendering is a barrier to establishing longer term partnerships between organisations.

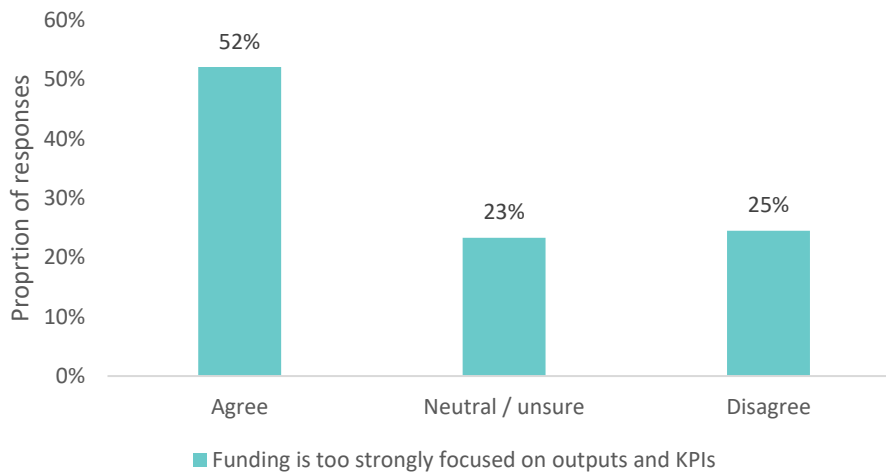
### Alignment of commissioning goals and reports

Community organisations identified the siloed nature of government commissioning between departments as problematic for improved community outcomes. This is because some organisations believed there were conflicting commissioning goals between departments.

Of the QCOSS workshop participants, numerous organisations questioned the larger system level goals and how each service contributes to these goals. Many CEOs and senior managers stated that funding was too focused on outputs that were not reflective of the outcomes they are achieving (Figure 18). Community organisations aspire for a system that highlights how their organisational

goals rolled up to improved outcomes for a community and identified the need for a theory of change for the social service sector. This approach to commissioning would result in improved outcomes, as well as improving collaboration and service integration.

**Figure 18. In general, how strongly do you agree or disagree with the following statements.**



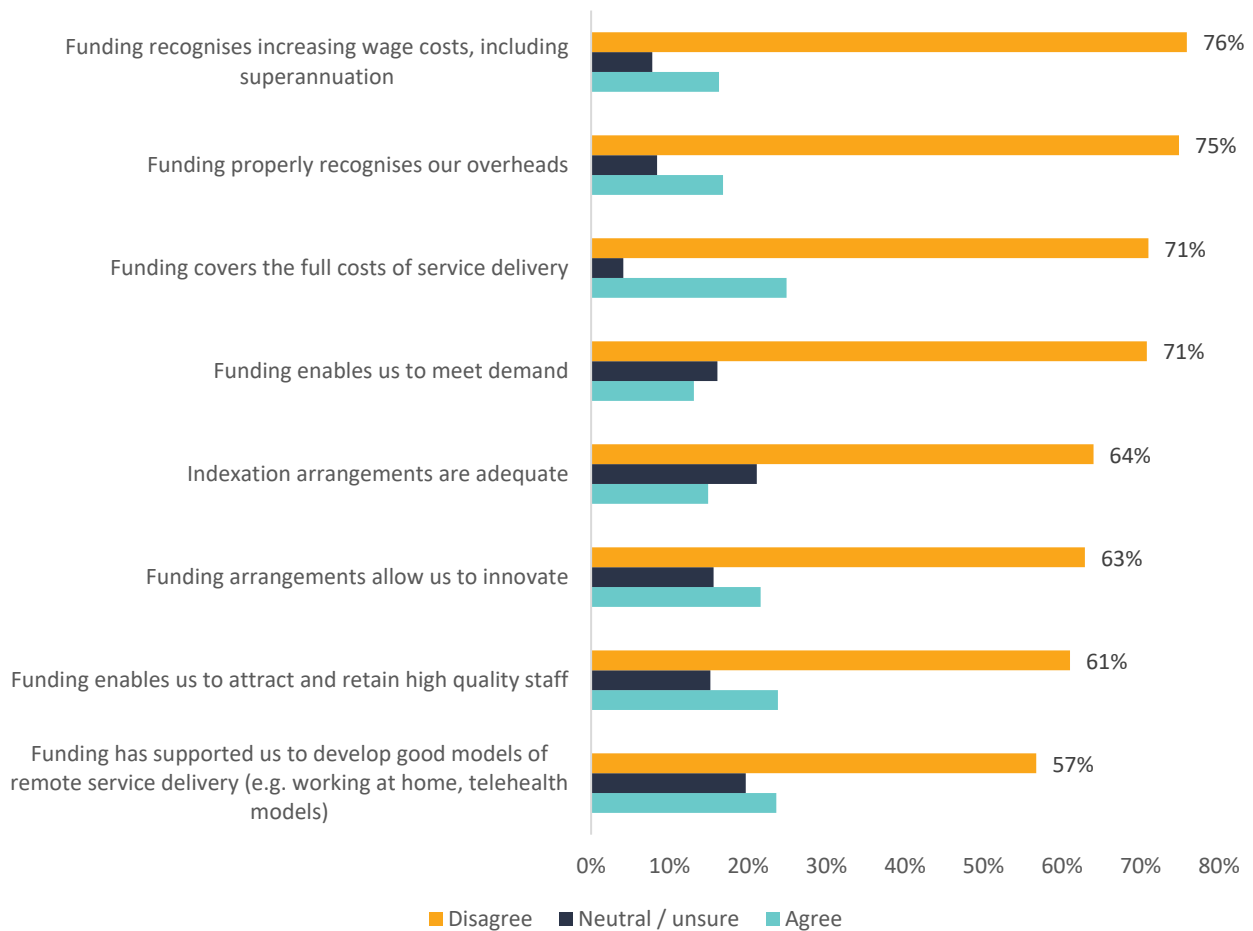
### Adequate funding

To build on the significant social and economic contribution of the community service sector, organisations must receive adequate funding. Across Queensland, organisations expressed their concern related to rising operating costs that are not being matched with increased funding (Figure 19). This results in organisations having to make cuts that restrict services and are not in the best interest of the community. Examples of operating costs associated with recent increases include:

- the introduction of portable long service leave to the community sector
- increased costs of insurance
- rising employer superannuation contributions
- incremental salary increases aligned with award wage rates
- compliance and regulation
- IT costs and maintaining appropriate levels of cyber security.

Regional services also highlighted the additional costs of travel. For many organisations providing services over large areas of Queensland, the funding they receive for travel is completely inadequate and creates considerable inequity between regional and urban populations. Inadequate funding also has an impact on smaller organisations who increasingly struggle to cover overheads. In the longer-term, this will result in larger and more generalist services.

**Figure 19. In general, how strongly do you agree or disagree with the following statements.**



When funding for organisations remains the same year-on-year, the organisation is required to absorb the increasing costs. This generally results in a reduction of services to stay within budget. The following three comments were provided by the CEO or senior leader of Queensland organisations in response to the ACSS question ‘Would you like to make any comments about the financial outlook for your organisation?’:

*We currently subsidise the delivery of some Government-funded services through donations, a totally unsustainable situation when cash donations are drying up too. Indexation is a joke, this year CPI on wages was 2.5%, the superannuation guarantee increase was 0.5% and Treasury arbitrarily passed on 1.5% - and one line Department reduced that by a further 0.24%. This is compounded by multiple years of failures to pass on full indexation - effectively reducing funding and further entrenching the chronic under-funding environment. Given most expenses are related to wages (80%+) there is no room to do anything except reduce outputs and look at savings in wages (available hours and staff positions). As demand grows because of challenges the community is experiencing (COVID, unemployment, increasing DFV, isolation and disengagement, etc.) and because of high population growth, increasing inequality in the distribution of wealth and other socio-economic factors, civil society is being hollowed out, while being expected to do more.*

*In the last 32 years of this centre servicing our community, we never had enough funding to support our full operation. We have made representations many times in the past, but what it is, is what it is. At some point, you get tired asking. We sustain and deliver innovation and quality projects by looking for other funding sources, this is a lot of work for a small*

*organisation like us and we try to run the place as a community business so we can support the cost of running the place.*

*Management and administration fees included in funding agreements seems to be getting smaller. Many costs are not allowed to be included, meaning we have to seek other ways to support programs and participants. Several of our programs could easily accommodate another worker, who could pick up a full-time case load. When as an organisation we question funding or ask for more, the request is often met with questions on how we manage our budget, assuming that is the problem. We have also experienced being met with responses that include threats of being audited and threats to our future funding, all for having asked the question. We have a flawless record with our funding bodies and are completely transparent.*

To improve the financial position of community organisations, two strategies were identified by multiple community sector stakeholders. Firstly, organisations stated that being allowed to keep roll-over funds would greatly support the organisation's ongoing viability. Secondly, more flexible funding would allow an organisation to take a preventive approach by responding to issues in the community as they emerge. This would be a cost-saving in the longer-term and support organisations to provide a more place-based response. As well as this, QCOSS will be partnering with the University of Western Australia in 2022 to measure increased costs and identify an appropriate method of calculating indexation for Queensland community services.

#### Support to enable place-based approaches

Funding for place-based approaches was consistently referred to as the primary enabler of service integration. When asked to identify improvements for the community service sector, comments from ACSS respondents commonly referred to funding that supports place-based approaches.

*Integrated and strategic commissioning approaches that are less focused on programs and buckets of funding and more focused on addressing the complexity and interconnectedness of need. Need/demand within communities should drive service delivery, not contracts. The community sector should have the ability to tailor support and responses to needs within their community.*

*Place based funding arrangements with inbuilt service delivery flexibility to meet people 'where they are'.*

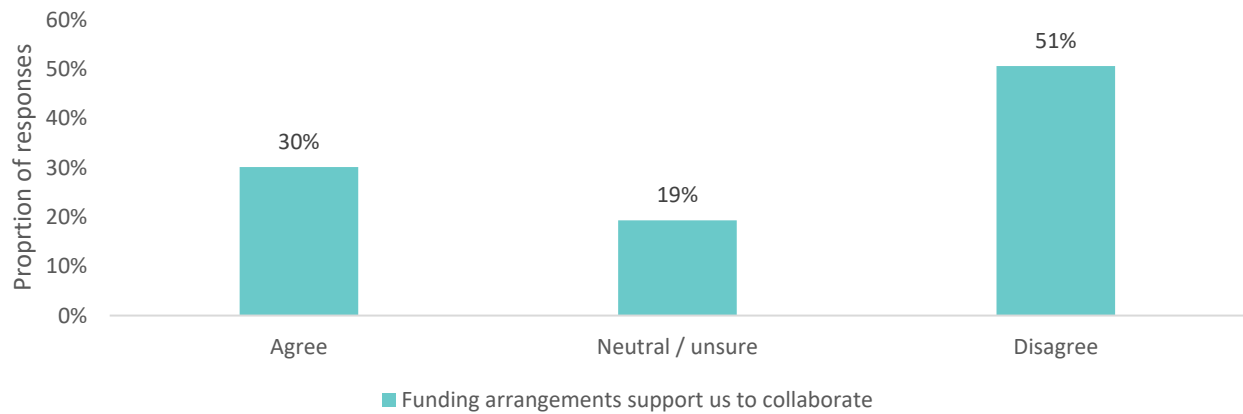
*Regional community sector representatives to take on place-based governance for collective ownership and clarity when responding to local needs, improvements.*

*Funding needs to be set up to create connections between local services, instead of creating a competitive environment. It's really important for maintaining successful partnerships with other services in our area.*

*More emphasis of service integration and collaboration built into the funding contracts/arrangements - this would increase resourcing and allow for more people's needs to be met. The competitive nature of tendering is not conducive to the best outcome.*

The negative impact of competitive funding was further reinforced by Queensland CEOs and senior managers responding to the ACSS, with 51 per cent stating they disagree that funding arrangements support collaboration across organisations (Figure 15).

**Figure 15. How strongly do you agree or disagree with the statement about your main funding source: Funding arrangements support us to collaborate?**



The procurement and contracting of community services must acknowledge activities that enable place-based partnership building and improve integration, which are not specific to direct service provision. Numerous participants at the QCOSS engagement workshops identified flexible funding as a strategy to support improved place-based approaches and service integration.

## Conclusion

The community services sector provides both essential supports and thousands of jobs for Queenslanders. It has the potential to transform the lives of individuals, families, and communities. It can provide meaningful and long-term flexible employment. For this potential to be realised it is important to understand and address the challenges that are in our way.

In 2022, many community organisations have been stretched by increasing demand. The basic needs of many Queenslanders are out of reach as we live through an ever-worsening housing crisis, income support returns to a level below the poverty line, and social isolation increases. When people's basic needs are not met, it is difficult for services to lift people in times of crisis.

Over the next decade our population will continue to grow and change. The potential to underpin investment in community services with population data and evidence about how people use and respond to services is yet to be realised. Long-term investment informed by this evidence and a strong overarching vision for a more equal state would provide better outcomes for services users. It would also help to overcome the significant challenges our feminised workforce is currently facing.

In 2021, the QCOSS *State of the sector* report was used to inform a reform agenda for the community services sector. Among other things, the sector has asked the Queensland Government to establish a procurement policy for community services. This procurement policy should ensure investment in place-based and outcomes focused services, along with funding that is longer term, reflects cost increases and allows some flexibility to respond to need. At the time of writing, the Queensland Government has indicated that it will develop a procurement policy for community organisations and will work with the sector and union movement to ensure the policy is fit for purpose.

There are numerous other ways the Queensland Government is working toward overcoming the issues detailed in this report. The recently concluded parliamentary inquiry into social isolation and loneliness and work associated with reforming community and neighbourhood centres are both hoped to result in greater investment in place-based social infrastructure that can provide Queenslanders with an opportunity to connect with their community and also be an entry point to the supports and services people need when they experience a crisis.

In addition, the significant investment in social housing reflected in the 2021 state budget was a beacon of hope for Queenslanders living through the housing crisis.

This 2022 *State of the sector* report makes the case for understanding and building on the strength of the community services sector. As the state emerges from the COVID-19 crisis and looks toward the future, an ambitious vision for a more equal society is called for. Evidenced-based investment in community services should be connected to this vision, removing barriers that are currently preventing our sector from offering excellent jobs and transformative outcomes for Queenslanders.



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