18 December 2023

Blueprint Expert Reference Group
Department of Social Services

By email: BERGSecretariat@dss.gov.au

Dear Colleagues

Not-for-Profit Sector Development Blueprint Issues Paper ('the Paper')

Thank you for the opportunity to provide feedback in relation to the above.

About QCOSS

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

QCOSS' position

QCOSS welcomes the establishment of the NFP Sector Expert Reference Panel and the development of the NFP Blueprint to ensure a strong future for Australian charities.

The social service sector is at the heart of every community across Queensland. We are part of the largest employer group in Queensland, with more than 174,000 dedicated staff working across more than 8,500 charities. The sector's essential work is supported by more than 369,000 volunteers.[1]

As the peak body for the social service sector in Queensland we actively engage with community service organisations through a variety of channels. This includes holding annual Town Hall meetings across Queensland, surveys, networks, and ongoing one-on-one engagement with QCOSS member organisations. Annually, we summarise the data collected through this engagement in the State of the Sector report, highlighting issues impacting the sector. The 2022 State of the Sector Report is available here.

Our response to a selection of your consultation questions is informed by our engagement with Queensland community services.

2.1.1 What is your vision or aspiration for the NFP sector over the next 10 years?

To enable the sector to achieve greater outcomes, the Australian Government must commit to a vision that seeks a NFP service system that is:

1. *Sustainable*

    As per the Value of Queensland's Not-for-profit Sector report, "if we do not understand the extent to which the sector is financially sustainable, there is a significant risk that those much-needed services become less reliable, less clinically appropriate…" Further to this, if the sector becomes less sustainable, the service system will contract.[2] This will likely have a disproportionate impact on services being delivered in regional and remote areas. Longer-term, this will result in a growing divide in equality, opportunity and wellbeing between geographic regions.

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[1]   Australian Charities and Not-for-profits Commission, (2023). Australian Charities Report – 9th Edition. P15, Table 5.
        https://www.acnc.gov.au/tools/reports/australian-charities-report-9th-edition

[2]   Gilchrist, D. J. & Emery, T., (2021), *Queensland's Social Services Sector: Its Sustainability and Economic Contribution, a report of the UWA Not-for-profits Research Team for the Queensland Council of Social Service.* Perth, Australia.
        https://www.qcoss.org.au/wp-content/uploads/2021/07/Value-of-Qld-NFP-Sector_FINAL.pdf

2. *Human rights respecting*

A focus on human rights helps to signal a shift from a charity model to a rights-based model. It also signifies that care and support is a public function, which should be delivered in a rights respecting manner despite being provided by non-government actors.

3.1.4 What role should government play in helping NFPs become data capable and informed by evidence?

Understanding the characteristics, experience and perspectives of consumers is an important element of designing products and services that are fit for purpose. As a sector that delivers services to people who are often experiencing disadvantage and vulnerability, it is important for community organisations to know they are providing appropriate services to individuals and to the community more broadly.

Previous research indicates that while there is enthusiasm across community organisations to utilise consumer data for service improvement, methods used are primarily informal and rarely integrated into program design. This aligns with results of the 2019 Outcomes Measurement in the Community Sector Survey, which highlights barriers to outcome measurement experienced by community organisations across Australia included limited funding (60.1 per cent), lack of staff capacity (44.7 per cent) and lack of established tools (35.1 per cent).[3]

Challenges associated with delivering longer-term outcomes are commonly raised by QCOSS member organisations. Feedback indicates that while funding bodies are seeking outcome reporting, the resources needed to do this effectively are generally not funded. This is explored further in QCOSS' Using consumer data for continuous improvement report, which examines the internal data systems of three community organisations working towards outcome measurement.

Funding was often the primary barrier for delivering long-term outcomes. With the correct resources, organisations were confident they could demonstrate outcomes, as well as deliver more meaningful data to funding bodies to support system level planning.

The human resources required for managing data was also considered a barrier to measuring outcomes. Data analysis was seen as a skills gap for many organisations and was recognised as a specialist skill area. Resources varied widely for organisations, with many not having any dedicated data analytics roles, while others had a team of people.

"I think we need more funding for evaluation… don't just fund to do an evaluation but fund us to have a person to contribute. You can't ask people to keep doing that in their own time. Cause that's what happens. Everyone does it in their own time. During service delivery hours it's really hard. I mean the bigger you get, the more you can allocate a bit of resources to that. Cause you can take a bit from everywhere, but I just think government should be recognising it as a valid thing and they should fund properly."

"People want you to collect [data], who's going to do it? I think building in the infrastructure now really is, it is not negotiable. It's not a general operating expense. It's a percentage of your budget."

"I think we're having trouble recruiting people with evaluation skills and even your data analytics, we're training people how to do it because we can't pay the rates for the people who can really do it. So you're training people as you go."

Organisations also face extensive administrative burden for key performance indicators (KPIs) set within service agreements. The onus for measurements required is furthered by the complexity of reporting data, departments and sub-departments all have different formats and portals for

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3   Callis, Z., Seivwright, A., Flatau, P. (2019). Outcomes Measurement in the Australian Community Sector: A National Report Card. Bankwest Foundation Social Impact Series, No 10. Bankwest Foundation, Western Australia.

reporting, while KPIs are almost always different, even when departments fund the same service for the same purposes.

> **Recommendation**
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> 1. As outlined in the QCOSS' [Using consumer data for continuous improvement](#) report, the following recommendations should be implemented:
>   a. Build capacity of the sector workforce by establishing a data capability program that is accessible to all community organisations.
>
>   b. Review the data reporting requirements expected by each government department and standardise approaches to support benchmarking and outcome measurement.
>
>   c. Invest in dedicated sector resources. This should include funding for IT systems that are required to measure outcomes, as well as exploring how community services could pool resources across organisations to enable measurement of system-level and place-based outcomes.

4.1.1 How can the role of advocacy by NFP organisations be better embedded and preserved in policy and legislation?

In response to this question, QCOSS refer to and support the submission from the Australian Council of Social Service (ACOSS). It is strongly advised 'that a NFP Blueprint include clear recommendations for better protections for the right of charitable organisations to advocate for systemic change that aligns with their charitable purpose.'

> **Recommendation**
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> ACOSS is on the Steering Committee of the Stronger Charities Alliance, which recommends strengthening legislative protections of charitable advocacy, including:
>
> 2. Amending the *Charities Act 2013* (Cth) to stipulate that charitable advocacy is presumed to be for public benefit.
>
> 3. Amending the *Not-for-profit Freedom to Advocacy Act 2013* (Cth) to establish in law principles on the importance of charitable advocacy as well as prevent government from preventing charitable advocacy via indirect methods, and
>
> 4. Legislate a transparent, merit-based process for the appointment of the ACNC commissioner to ensure suitably qualified Commissioners in the future.

7.1.3 How can we make employment opportunities attractive and build career pathways to develop the paid NFP workforce of the future?

Recruitment of an adequate workforce was a key theme raised by QCOSS members when discussing prominent issues impacting service provision.

Professional development, inclusive of supervision, was regarded as important to maintaining a committed workforce, but this was not always available due to demands on staff time, and funding pressures. Some CEOs indicated that these opportunities were the first items to be cut from organisational budgets.

> *"I think that's something I've seen really let down in the human services industries. A lot of time it's funding bodies. I don't know, I keep saying funding, but that's how it flows. That's how it flows on a systemic level. You got a funding body that says, 'we need this outcome for this money.' They say, well, okay, we can afford this. Usually what's lost in that space is time and resources that would be funded into things like effective supervision and stuff like that. It really does."*

"I think the biggest factor is the resource of the people themselves, the quality of the staff themselves. I think where we under resource ourselves the most is training and professional development."

Unfortunately, existing contracts do not usually recognise staff development as a vital component to be funded for service provision. Therefore, costs of training, clinical supervision, personal development and career pathways often go unfunded.

Another key aspect to attracting and retaining a qualified workforce is the sector's ability to offer financial security. In the face of cost of living pressures, low wages coupled with insecure short-term contracts means that workforce attraction and retention is increasingly difficult. While clear evidence about the impact of employment uncertainty on workforce retention and attraction has been present for decades, new reports now also indicate the additional psychological strain this causes.

Challenges associated with recruitment and retention of a qualified workforce are heightened in regional and remote areas. For service providers operating in regional and remote areas, "It is not unusual to have a vacancy in a remote area that exists for six months or more" and for one large regional organisation, the average time to fill a vacancy is currently 4.2 months.

Additional barriers to recruitment are created by the procurement and contracting process, as people are unwilling to relocate for a short-term contract that does not provide stability. As a result, regional and remote services often employ new graduates and develop their practice skills with an appropriately experienced team member. Services have found this to be a beneficial strategy, as having a qualified team member provide support to less experienced employees with all aspects of their employment assists with retention. Although this appears to be more expensive, it is cheaper than continuously recruiting and training new staff, which also significantly impacts service delivery.

Changes to the *Fair Work Act 2009* (Cth) that commenced 6 December 2023, which seek to provide greater levels of security for employees, are now raising industrial relations concerns for community organisations. Government contracts for programs that have a reasonable expectation of ongoing funding often include clauses that do not allow funds to be used for termination or redundancy payments. To ensure community organisations can offer permanent roles and also pay redundancies if government funding is not renewed, a review of standard terms and conditions of funding contracts should be undertaken.

Recommendation

5. Funding must be provided to incentivise employment with regional and remote service providers. This should include support for organisations to offer:

    a. relocation packages

    b. additional leave entitlements and/or one paid trip to their hometown per year.

6. A review of standard terms and conditions of funding contracts to ensure they enable community organisations to comply with workplace legislation. This review must occur in partnership with the community sector.

8.1.1 How should government improve the way it funds and contracts charities?

In procuring services from community organisations, government is purchasing good social outcomes for people. However, procurement and contracting processes have been a long-standing issue. In 2010, the Productivity Commission Report into the Contribution of the Not-for-Profit Sector highlighted "…that current government tendering, contracting and reporting requirements impose a significant compliance burden and constrain the efficiency and effectiveness of service delivery.

There is a sense of frustration that often these arrangements do not appear to result in improved service delivery outcomes for clients."[4]

When procuring services from the NFP sector, consideration must also be given to the impact of government policy on gender equality. 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' report on Gender equality in government procurement policy investigates gender responsive procurement principles as an instrument to drive gender equality outcomes.

Three components of contracting that need to be improved are:

1. Providing longer contract agreement terms

The community sector has consistently identified that the length of service agreements is inadequate and that short-term funding is a barrier to improving community outcomes. This is because community organisations are providing services in response to embedded and long-term disadvantage within communities.

Short-term funding prevents organisations from being able to implement longer-term plans that respond to the root cause of an issue. As a result, short-term contracts perpetuate a cycle that require community organisations to react in a crisis response. They also have an impact on the community sector's ability to maintain a stable workforce. If organisations received longer-term contracts, they could stabilise their workforce, implement longer-term plans and achieve better outcomes.

> *"I think going to longer periods of time, particularly for some of the bigger issues. Domestic violence, drug and alcohol, housing, homelessness, some of those things are not shrinking, they're growing. So one year and two year little contracts are just not making it. I think realistically, we need to get serious and be proactive rather than reactive."*

> *"…for staff welfare and wellbeing, staff that don't know if they're going to have a job in two years' time, it could be quite stressful. I think the industry is at risk of losing experienced staff for better job security, and I think job security is something really important. The way that funding is set up for most organisations, at least at the state level or even federal level, there's a level of risk and unknown… it's a pending date, 21st of December, that's it."*

> *"Even just getting the same contract that we've had for years rolled over can take time. It can be even after the next financial period; we're still delivering the service with no contracts waiting for it to get signed. When you plan short term, you can't expect any real change or outcomes. I think that does require long-term planning, long-term thinking, and a long-term investment if you want to make genuine change. Most of our contracts, our longest ones are three years, some of them are less than that and some big contracts are just a year on year or every couple of years and it is a problem, especially when the tender processes are quite arduous and expensive. It's a difficult space."*

Longer service agreements have been highlighted by successive Productivity Commission reports. In 2010, the Contributions of the Not-for-Profit Sector report recommended that "the length of service agreements and contracts should reflect the length of the period required to achieve agreed outcomes rather than having arbitrary or standard contract periods."[5] While

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[4]   Productivity Commission. (2010). *Contribution of the Not-for-Profit Sector*. Commonwealth of Australia, Canberra. P308.
        https://www.pc.gov.au/inquiries/completed/not-for-profit/report/not-for-profit-report.pdf

[5]   Productivity Commission. (2010). *Contribution of the Not-for-Profit Sector*. Commonwealth of Australia, Canberra. P347.
        https://www.pc.gov.au/inquiries/completed/not-for-profit/report/not-for-profit-report.pdf

the 2020 Productivity Commission [Inquiry Report into Mental Health](#) was for commissioning agencies to "extend the length of the funding cycle… from a one-year term to a minimum of five years."[6]

When discussing contract length, many CEOs highlighted the limitations attached to a one-year contract for grants/pilot projects. 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 government. It just isn't worth it."

Community organisations face significant 'start up' pressure when entering short term contracts, where hiring and onboarding periods are not considered within service agreements. As a result, organisations are less able to meet service goals and several organisations are questioning the value of one-year contract terms and choosing not to commit to them. QCOSS members have linked insufficient time provisions with poorer service provision, staffing and organisational health to the detriment of community service users. These findings are backed by several Productivity Commission reports.[7,8,9]

Longer-term contracts (and more advanced contract renewals) will also have a positive impact on regional and remote service providers. This is because it will improve employment stability. As indicated by the CEO of a regional and remote service provider, "People wont usually move to a remote or rural community without the stability of a reliable job and knowing this job will be stable for a few years. People with families are reluctant to disrupt their children's schooling for a short period."

2. <u>Appropriate lead in time for contract renewals</u>

Inefficient government processes in progressing contract renewals was a significant issue highlighted by QCOSS members. As a result of short lead in times for contracts, an organisation's workforce is seriously destabilised as people seek alternative, ongoing employment elsewhere. As a workforce that is predominately women, this has a gendered impact.

> *"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."*

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

> *"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."*

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6   Productivity Commission. (2020). *Mental Health.* Inquiry Report, Volume 1. Commonwealth of Australia, Canberra. P76. https://www.pc.gov.au/inquiries/completed/mental-health/report/mental-health-volume1.pdf
7   Productivity Commission. (2010). *Contribution of the Not-for-Profit Sector.* Commonwealth of Australia, Canberra. P335. https://www.pc.gov.au/inquiries/completed/not-for-profit/report/not-for-profit-report.pdf
8   Productivity Commission. (2020). *Mental Health.* Inquiry Report, Volume 3. Commonwealth of Australia, Canberra. P839-842. https://www.pc.gov.au/inquiries/completed/mental-health/report/mental-health-volume3.pdf
9   Productivity Commission. (2017). *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services.* Inquiry Report. Commonwealth of Australia, Canberra. PP280-282. https://www.pc.gov.au/inquiries/completed/human-services/reforms/report/human-services-reforms.pdf

> *"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."*

In many instances, community organisations have identified operating under an expired contract while waiting for execution of the renewed contract. This avoidable situation is counterproductive to efficient and effective service delivery as short notice and inadequate communication create significant risk for the organisation.[10,11,12] This is because current practice reduces an organisation's ability to provide appropriate service transition or support handovers and erodes trust in the worker-client relationship. This creates a fractured continuity of care, a disruption to service access, and forced re-traumatisation of clients who must adapt to sudden, unsupported shifts in service provision and retell their trauma stories.

> *"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. This is supported by a recommendation of the 2020 Productivity Commission Inquiry Report into Mental Health, which indicated that "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."[13] This would result in a more stabilised workforce and facilitate an adequate handover of clients to appropriate services, as required.

3. Providing grants that reflect the real cost of delivering quality services

Funding is often recognised as the most prominent issue affecting the sector. Reduced budgets, or budgets that do not reflect the real cost of delivering quality services, result in organisations being forced to make decisions that are not in the best interest of the community. These decisions generally result in longer wait lists. This approach to managing demand through wait lists is not conducive to the provision of client centred services, can cause further harm for the individual waiting for services and it places greater pressure on other services that are required to operate outside their scope.

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10   James, A., Dunlop, P.D., Gilbert, C., Gilbert, J., Gagné, M., Parsell, C., Cawthray, J. and Farid, H. (2023). *Investigative Panel into building and retaining an effective homelessness sector workforce*. AHURI Final Report No. 409, Australian Housing and Urban Research Institute Limited, Melbourne. PP44 & 64. https://www.ahuri.edu.au/sites/default/files/documents/2023-10/AHURI-Final-Report-409-Investigative-Panel-into-building-and-retaining-an-effective-homelessness-sector-workforce.pdf

11   Productivity Commission. (2010). *Contribution of the Not-for-Profit Sector*. Commonwealth of Australia, Canberra. P335. https://www.pc.gov.au/inquiries/completed/not-for-profit/report/not-for-profit-report.pdf

12   Productivity Commission. (2017). *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services*. Inquiry Report. Commonwealth of Australia, Canberra. PP243-246. https://www.pc.gov.au/inquiries/completed/human-services/reforms/report/human-services-reforms.pdf

13   Productivity Commission. (2020). *Mental Health, Report no. 95*. Commonwealth of Australia, Canberra. P76. https://www.pc.gov.au/inquiries/completed/mental-health/report/mental-health-volume1.pdf

According to ACNC income and expenditure data, it cost Queensland charities $196m to deliver additional services in 2018.[14] This demonstrates that the funding rationing arrangement and/or the levels of funding for these services are unlikely to be sustainable. The Productivity Commission report into the Contribution of the Not-for-Profit Sector recommends that funding bodies should "transparently articulate whether they are fully funding particular services or activities… or only making a contribution towards the associated costs…" [15]

In some instances, contracts specifically state that 'core functions of the organisation will not be funded.' To ensure strong and sustainable services, there must be acknowledgement of the need for resources that are not directly related to service delivery. For example, the Challenge of Sustainability report highlighted considerable cost increases in Queensland NFP's between 2019-2021, including general insurance increasing 30 per cent, ICT costs increasing 29 per cent and costs associated with quality controls increasing by 21 per cent.

Indexation is also a core component of community sector sustainability. This is because poor indexation leads to a reduction in sustainability, increased risk to service users and government, and a reduction in service quantity.[16] QCOSS has previously commissioned the University of Western Australia to report on the indexation component of sustainability in the following reports:

- The Challenge of Sustainability
- Queensland's Cost Indexation for Government Purchasing of Human Services

These reports highlight the significant financial pressure being experienced by Queensland community service organisations. This pressure is a result of increasing costs of inputs in the context of an economic and funding framework that places considerable pressure on service supply.[17]

Recommendation

4. As per the Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services Productivity Commission report:

   a. A default seven-year contract length is required for community services[18]

   b. Default contract terms of ten years are required for services in remote Indigenous communities.[19]

5. Government departments must implement transparency measures that indicate the proportion of service agreements with a community organisation that have a default term.

6. Written confirmation of a contract extension (or otherwise) must be provided six months prior to the contract end date, with the ongoing contract executed within three months of the previous contract end date.

7. If an organisation is notified of a cessation of funding within six-months of the contract end date, an automatic six-month 'wind down' period must be provided to support a transition

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14   Gilchrist, D. J. & Emery, T., (2021), *Value of Queensland's Not-for-profit Sector: Its Sustainability and Economic Contribution*, a report of the UWA Not-for-profits Research Team for the Queensland Council of Social Service, Perth, Australia. https://www.uwa.edu.au/schools/-/media/not-for-profits-uwa/policy-and-economics/210326-final-qcoss_value-of-sector-report.pdf

15   Productivity Commission. (2010). *Contribution of the Not-for-Profit Sector*. Commonwealth of Australia, Canberra. P347. https://www.pc.gov.au/inquiries/completed/not-for-profit/report/not-for-profit-report.pdf

16   Gilchrist, D.J. & Feenan, C. (2023). Queensland's Cost Indexation for Government Purchasing of Human Services, a report developed by the UWA Centre for Public Value for the Queensland Council of Social Service, Brisbane, Australia.

17   Gilchrist, D.J. & Perks, B. (2022). The Challenge of Sustainability: Not-for-profit Sector and the Impact of Growing Financial Pressure, a report of the UWA Not-for-profits Research Team for the Queensland Council of Social Service, Brisbane, Australia.

18   Productivity Commission. (2017). *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services*. Inquiry Report. Commonwealth of Australia, Canberra. PP280-282. https://www.pc.gov.au/inquiries/completed/human-services/reforms/report/human-services-reforms.pdf

19   Ibid

to a newly funded service provider.[20] Where this cannot be achieved and services are ceasing entirely, a contract extension of at least 12 months must be provided in a reducing capacity to enable appropriate client care.[21]

8. Ensure NGO indexation is appropriate for the economic conditions that community services are operating within.

9. The ABS already calculates a Health Care and Social Assistance Industry Index. The combined index is not adequate for the purposes of indexation as it does not reflect the social service industry. As a priority, the Australian Government should advocate for change in the approach taken by the ABS toward the development of a specific-purpose industry cost index.

8.1.2 How could government funding, tendering and contracting drive a good balance of collaboration and competition to support innovation in the NFP sector?

When considering the balance between collaboration and competition, the government must understand how current commissioning policy, processes and practices align with principles of self-determination for Aboriginal and Torres Strait Islander people. Government funding, tendering and contracting must enable self-determination and prioritise investment in Aboriginal and Torres Strait Islander community-controlled organisations to design programs and services according to need.

Further to this, QCOSS member organisations highlighted that existing provisions in grants fail to recognise the full breakdown of costs required for organisations to sustainably provide impactful service provision. As a result, the competitive nature of the current tendering approach leads to undercutting of services and, in the longer-term, has a negative impact on client outcomes.

Complicating this issue is the inconsistency in tenders and funding rules across different departments. For example, ratios of 'direct and indirect funding' vary, as does the definition of what constitutes appropriate spending within direct and indirect costs.[22] As per the Paying What It Takes report, "low indirect costs do not mean that a not-for-profit is being impactful, and high indirect costs do not imply that it is not impactful."[23]

Recommendation

10. To reduce the competitive nature of tendering, a standardised approach to budget line items in tender documents should be implemented across government departments. This is also supported by the Paying what it takes report.[24] Developing the standardised line items must be done in collaboration with the community sector, and should include categories such as:

   a. professional development of staff. Recognising additional costs required for services operating across regional and remote areas.

   b. external supervision for clinical staff, as required by professional registration bodies.

   c. supporting the organisation to participate in service integration initiatives.

   d. program evaluation.

[20]   Productivity Commission. (2017). *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services.* Inquiry Report. Commonwealth of Australia, Canberra. P49. https://www.pc.gov.au/inquiries/completed/human-services/reforms/report/human-services-reforms.pdf

[21]   Blaxland, M., and Cortis, N. (2021) *Valuing Australia's community sector: Better contracting for capacity, sustainability and impact.* Australia Council of Social Services. Sydney. P6. ACSS-2021_better-contracting-report.pdf (acoss.org.au)

[22]   Social Ventures Australia and the Centre for Social Impact (2022) *Paying what it takes: funding indirect cost to create long-term impact.* P33. https://www.philanthropy.org.au/wp-content/uploads/2022/11/Paying_what_it_takes.pdf

[23]   Ibid.

[24]   Ibid.

9.1.3 What is needed and what is the sector's role in advocating for digital inclusion and participation of citizens and communities?

According to QCOSS members, digital exclusion is having a significant, increasingly negative impact on service users. The Australian Digital Inclusion Index (ADII) shows that Queensland sits behind the Australian Capital Territory, New South Wales, Western Australia and Victoria across all digital inclusion access and ability measures.[25] Additionally, affordability in Queensland is low with a higher proportion of household income spent on digital access and services than most other states and territories.[26]

People accessing community services are often in complex situations and circumstances, experiencing varying levels of social and economic marginalisation and disadvantage. Among this group, digital inclusion and the education, health, social and financial benefits of being connected remain out of reach. This further perpetuates the complexities and hardship the service user is faced with. For example, the Australian Communications Consumer Action Network's consumer check-in survey found that lack of access was dire among remote and First Nations populations. Over half (53.3 per cent) of First Nations people 'sometimes', 'often' or 'always' sacrifice essentials such as food or bills to stay connected, compared to 19.1 per cent of non-First Nations people.[27]

Community organisations are well placed to understand the impact and challenges associated with digital exclusion on populations experiencing vulnerability and marginalisation. Digital exclusion has been observed to impede service users' ability to access government assistance and social supports, while increasing social isolation and further perpetuating disadvantage.

Addressing the impact of digital exclusion has become a critical element of service provision for community organisations. Due to a lack of digital literacy and access to online information, people are not equipped to seek necessary support independently. According to QCOSS member organisations, this commonly results in the person 'falling behind in learning and job opportunities.' The flow-on impact is a greater number of people seeking support from community organisations.

Digital exclusion adds an additional level of complexity for frontline community workers and is often not recognised for funding purposes, despite the fact that support activities for individuals, such as assistance with completing online forms and accessing digital devices, involve a significant amount of time.

Recommendation

The Bridging Queensland's Digital Divide report outlines a series of recommendations, including:

11. Increase funding for digital literacy programs to evolve and scale existing successful programs and develop new programs targeting other digitally excluded cohorts.

12. Ensure all low income, vulnerable and remote students can access suitable connectivity and devices at school and at home.

13. Create a permanent, affordable NBN consumer plan for households receiving government income benefits.

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[25] Australian Digital Inclusion Index https://digitalinclusionindex.org.au/

[26] Bridging Queensland's Digital Divide Digital exclusion is a significant driver of human disadvantage in the modern world. September 2021. 210903-Full-report.pdf (mckellinstitute.org.au). Felix Zerbib / Rachel Nolan / Edward Cavanough / Scott Brown

[27] Featherstone D, Ormond-Parker L, Ganley L, Thomas J, Parkinson, S, Hegarty K, Kennedy J, Holcombe-James I, Valenta L, Hawkins, L (2023) Mapping the Digital Gap: 2023 Outcomes Report, Melbourne: ARC Centre of Excellence for Automated Decision-Making and Society

Conclusion

QCOSS welcomes the establishment of the NFP Sector Expert Reference Panel and the development of the NFP Blueprint to ensure a strong future for Australian charities.

Thank you again for the opportunity to provide our submission. If you have any questions, please contact Aimee McVeigh, Chief Executive Officer at aimee@qcoss.org.au.

Yours sincerely

Aimee McVeigh
Chief Executive Officer